FEDERAL REGISTER

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Rules, Regulations, Orders

TITLE 7—AGRICULTURE

CHAPTER I—AGRICULTURAL MARKETING SERVICE

SUBCHAPTER C—REGULATIONS UNDER THE FARM PRODUCTS INSPECTION ACT

PART 51—FRUITS, VEGETABLES, AND OTHER PRODUCTS (INSPECTION AND CERTIFICATION)

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Definitions

§ 51.1 *Meaning of words.* Words used in these regulations in the singular form shall be deemed to import the plural, and vice versa, as the case may demand.*

*§§ 51.1 to 51.49, inclusive, issued under the authority contained in 55 Stat. 408; 7 U.S.C., Sup., 414. Also under sec. 12, 50 Stat. 730; 7 U.S.C., Sup., 499n.

§ 51.2 *Terms defined.* For the purpose of these regulations, unless the context otherwise require, the following terms shall be construed, respectively, to mean:

(a) *Act.* (1) The "Market Inspection of Farm Products" item of the Agricultural Appropriation Act (55 Stat. 408; 7 U.S.C., Sup. 414); and (2) Sec. 14 of the Perishable Agricultural Commodities Act, 1930, as amended (sec 12, 50 Stat. 730; 7 U.S.C., Sup., 499n).

(b) *Secretary.* Secretary or Acting Secretary of Agriculture of the United States.

(c) *Chief of service.* The Chief or Acting Chief of the Agricultural Marketing Service.

(d) *Person.* Individual, partnership, corporation, or association.

(e) *Inspector.* An employee of the Department of Agriculture or other person authorized by the Secretary to investigate and certify to shippers and other interested parties the quality and condition of products under the act.

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FEDERAL REGISTER

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(f) *Products.* Fruits, vegetables, nuts, and other perishable farm products not covered by other regulations under the act.

(g) *Office of inspection.* The office of an inspector of products covered by the regulations in this part.

(h) *Inspection certificate.* A certificate of the quality or condition of products issued by an inspector under the act.

(i) *Regulations.* Rules and regulations of the Secretary under the act.*

Administration

§ 51.3 *Authority.* The Chief of Service is charged with the administration of the provisions of the act, and the regulations in this part, and is authorized to issue such instructions as he may deem proper and necessary.*

Where Service Is Offered

§ 51.4 *Inspection, where made.* Products may be inspected at points indicated in paragraphs (a), (b), and (c) of this section whenever an official inspector is available.

(a) *Shipping points.* Inspection is available in all States with which the Agricultural Marketing Service has entered into cooperative agreements providing for this work.

(b) *Designated markets.* The following are designated as important central markets at which products may be inspected under the act:

Atlanta, Ga.; Baltimore, Md.; Boston, Mass.; Buffalo, N. Y.; Chicago, Ill.; Cincinnati, Ohio; Cleveland, Ohio; Columbus, Ohio; Denver, Colo.; Detroit, Mich.; Forth Worth, Tex.; Hartford, Conn.; Houston, Tex.; Indianapolis, Ind.; Jacksonville, Fla.; Kansas City, Mo.; Los Angeles, Calif.; Memphis, Tenn.; Milwaukee, Wis.; Minneapolis, Minn.; New Haven, Conn.; New Orleans, La.; New York, N. Y.; Norfolk, Va.; Oklahoma City, Okla.; Philadelphia, Pa.; Pittsburgh, Pa.; Portland, Oreg.; Rochester, N. Y.; St. Louis, Mo.; Salt Lake City, Utah; San Francisco, Calif.; Seattle, Wash.; Washington, D. C.

(c) *Other points.* Inspection may be made at other points approved by the Chief of Service, or at any point near a designated market under conditions provided in § 51.40 to the extent permitted by the time of the nearest inspector.*

Inspection Service

§ 51.5 *Kind of service.* Inspection of products may be made according to quality or condition.*

§ 51.6 *Who may obtain service.* An application for inspection may be made by any financially interested person, his authorized agent, and Federal, State, county, and municipal governments, and common carriers.*

§ 51.7 *How to make application.* Application for inspection may be filed in the office of inspection or with an inspector. It may be made in writing, orally, by telegraph, or telephone. If made orally the inspector may require that it be confirmed by applicant in writing or by telegraph, giving the information required by § 51.8. Application may be made for one or more lots, or it may be a blanket application for inspection of all designated lots of a given commodity within a given period, or for all designated lots loaded or received at a given point.*

§ 51.8 *Form of application.* Each application for inspection shall state (a)

the name and post-office address of the applicant and of the person, if any, making the application in his behalf; (b) the name and post-office address of the shipper; (c) the kind and quantity of the products involved; (d) the financial interest of the applicant (except the State) therein; (e) the identification of the products by (1) grade, brand, or other marks, if possible, (2) car initials, car number, and name of carrier or number of truck or name of boat, if possible; and (3) name and location of store, warehouse, or other place where the products are located; (f) the particular quality or condition concerning which inspection is requested, to which may be added the particular time and place at which it is desired that the inspection be made; (g) the name and address of the receiver when the lot is to be inspected in a receiving market; (h) the name of the shipping point and of the destination when known; and (i) such other information as may be necessary for identification of the product or as may be required by the inspector or the Chief of Service.*

§ 51.9 *Filing of application.* An application shall be deemed filed when delivered to the proper office of inspection. A record showing the date and time of filing shall be made in such office.*

§ 51.10 *When application may be rejected.* An application may be rejected by the inspector in charge of the office of inspection in which it is filed, for noncompliance with the act or any applicable regulation thereunder, and such inspector shall immediately notify the applicant of the reasons for such rejection.*

§ 51.11 *When application may be withdrawn.* An application may be withdrawn by the applicant at any time before the work is performed, upon payment of any expenses incurred by the Agricultural Marketing Service in connection therewith.*

§ 51.12 *Authority of agent.* Proof of the authority of any person applying for inspection in behalf of another may be required in the discretion of the inspector.*

§ 51.13 *Accessibility of products.* The applicant shall cause the products for which inspection is requested to be made accessible for sampling or inspection and to be so placed as to disclose their quality or condition. Samples of the products drawn for examination shall be inspected only under such conditions as will permit a true and correct determination to be made of their quality or condition.*

§ 51.14 *Basis of service.* Inspection and certification for quality or condition, unless the applicant shall request otherwise, shall be based upon the official and tentative standards of the United States Department of Agriculture or any State or foreign country, or shall be by description where official standards are lacking.*

§ 51.15 *Order of Inspection.* Inspection shall be made in the order in which applications are received, except that precedence shall always be given (a) to the inspection of lots involved in Perishable Agricultural Commodities Act complaints and (b) to appeal inspections. Precedence may also be given to applications made by a branch of the Federal Government.*

§ 51.16 *Financial interest of inspector.* No inspector shall inspect any products in which he is directly or indirectly financially interested.*

§ 51.17 *Postponing inspection.* If the inspector has reason to believe that because of latent defects due to climatic or other conditions he is unable to determine the true quality or condition of the product, he shall postpone examination of the product for such period as may, in his judgment, be reasonably necessary to enable him to determine its true quality or condition.*

§ 51.18 *Official sampling.* Samples may be officially drawn by any duly authorized inspector and delivered or shipped for analysis and certification to the nearest designated market or to such designated market as shall be directed by the Agricultural Marketing Service. The container in which such samples are delivered or shipped shall contain a statement signed by the inspector who drew the samples showing the time and place of the sampling and the brands or other identifying marks of containers from which the samples were drawn. The certificate based on such samples shall show the time and place of drawing the sample and the name of the inspector by whom it was drawn.*

§ 51.19 *Certificate, form.* Certificates shall be issued on forms approved by the Chief of Service: *Provided,* That when application for inspection is made by any branch of the Federal Government or by a public institution or by anyone, for the purpose of determining whether food products for use by such applicant comply with contract specifications therefor, a formal certificate need not be issued, but the fact of such compliance or noncompliance may be indicated by appropriate stamp or mark on such products or the containers thereof, or otherwise, in the discretion of the inspector: *Provided further,* That memoranda of inspections showing the grades of individual growers' lots offered for manufacturing or other purposes may be issued in lieu of certificates on forms approved by the Chief of Service.*

§ 51.20 *Certificates, issuance.* The inspector shall sign and issue a separate certificate for each lot inspected by him, except that when an application covers a number of less-than-carload lots a single certificate may be issued to cover all such lots. Each kind of fruit or vegetable shall constitute a separate lot, but different varieties of the same kind of fruit or vegetable, except peanuts, pecans, and other nuts, shall not be so considered.*

§ 51.21 *Certificates, disposition.* The original certificate and not to exceed four copies, if requested prior to issuance, shall be immediately delivered or mailed to the applicant or a person designated by him. One copy shall be filed in the office of the inspector, or of the cooperating agency, and one copy forwarded to the Chief of Service, except that memoranda of inspections issued as provided in § 51.19 need not be so forwarded. Copies of certificates shall be kept on file until other disposition is ordered by the Chief of Service. In the case of any product with respect to which a marketing agreement and order are in effect under the jurisdiction of the Surplus Marketing Administration copies of certificates covering inspection of such products shall be delivered to the control committee or supervisory body or bodies established thereunder upon the direction of the Secretary or his authorized agent, subject to such terms and conditions as the Secretary may prescribe, for the purpose of effectuating the purposes of said marketing agreement and order. Copies will be furnished to other financially interested parties as outlined in § 51.41.*

§ 51.22 *Advance information.* Upon request of an applicant, all or any part of the contents of the certificates may be telegraphed or telephoned to him, or to any person designated by him, at his expense.*

Appeal Inspection

§ 51.23 *When appeal may be taken.* An application for appeal inspection may be made whenever any financially interested person is dissatisfied with the determination stated in the original certificates.*

§ 51.24 *How to obtain.* Appeal inspection may be obtained by the applicant or other person financially interested in the product by filing a request (a) in the inspection office nearest the point where the product is located or (b) with the inspector who made the original inspection, or (c) in any regional supervisory inspection office, or (d) with the Chief of Service. The application for appeal shall state the reasons therefor and should be accompanied by a copy of any previous inspection certificate or inspection report, or any other information which the applicant shall have received regarding the quality or condition of the product at the time of the original inspection. Such application may be made orally or in writing, or by telegraph or telephone. If made orally the person receiving the application may require that it be confirmed in writing.*

§ 51.25 *Record of filing time.* A record showing the date and time of filing such application shall be immediately made by the receiver thereof.*

§ 51.26 *When appeal may be refused.* If it shall appear that the reasons stated in an application for appeal inspection are frivolous or unsubstantial, or that the quality or condition of the products has undergone a material change since the original inspection, or that the products cannot be made accessible for a thorough examination of all parts of the lot,

or the identity has been lost, or the regulations in this part have not been complied with, the application may be denied.*

§ 51.27 *When appeal may be withdrawn.* Any application for appeal inspection may be withdrawn by the applicant at any time before the inspection has been made upon payment of any expenses incurred by the Agricultural Marketing Service in connection therewith.*

§ 51.28 *Order in which made.* Appeal inspections shall be made as far as practicable at the time requested by applicant and in the order in which applications are received. They shall take precedence over all other pending applications, except inspections covering lots involved in Perishable Agricultural Commodities Act cases.*

§ 51.29 *Who shall make appeal inspections.* Appeal inspections shall be made by inspectors specially designated therefor by the Chief of Service, and such inspections shall be conducted jointly by two inspectors when practicable. No appeal inspector shall pass upon an appeal involving the correctness of a certificate issued by him.*

§ 51.30 *Appeal findings.* The inspector or inspectors making an appeal inspection shall sign and issue an appeal inspection certificate which shall supersede and refer specifically to the original inspection certificate from which the appeal was taken, and state the quality or condition of the product, as determined by the appeal inspection. In all other respects the provisions of §§ 51.5–51.22 shall apply to appeal inspection certificates, except that if the applicant for appeal inspection be not the original applicant a copy of the appeal inspection certificate shall be mailed to the original applicant.*

§ 51.31 *Superseded certificates.* When an inspection certificate shall have been superseded by an appeal inspection certificate such inspection certificate shall become null and void and shall not thereafter represent the quality or condition of the product described therein. If the original and all copies of the superseded certificate are not delivered to the person receiving the application for appeal inspection, the officer issuing the superseding certificate shall forward notice of such issuance and of the cancelation of the original certificate to such persons as he considers necessary to prevent fraudulent use of the canceled certificate.*

§ 51.32 *Reinspections other than appeals.* Inspections requested to determine factors of quality or condition which may have undergone material change since the original inspection, shall not be considered appeal inspections within the meaning of the regulations in this part. A second inspection requested for the purpose of securing an up-to-date certificate, but where the applicant does not question the correctness of the original certificate covering the lot in question, shall not be considered an appeal inspection.*

Licensed Inspectors

§ 51.33 *Who may be licensed.* Persons showing proper qualifications may be licensed by the Secretary as inspectors of products which may be inspected under the act. All such licenses shall be countersigned by the supervising inspector under whose direction the licensee is to make inspections, or by such other official as may be designated by the Chief of Service.*

§ 51.34 *Suspension of licenses.* Any license may be suspended, pending final action by the Secretary, by the Chief of Service, or any official by whom it may be countersigned whenever such official shall deem such action to be for the good of the service. Within 7 days after any such suspension the licensee may file an appeal in writing to the Secretary, supported by any argument or evidence that he may wish to offer.*

Fees and Expenses

§ 51.35 *Amount of fees, rates and expenses.* For each lot of products inspected a fee and expenses determined in accordance with §§ 51.36–51.41, and § 51.44 or such supplemental schedules as may be promulgated from time to time by the Secretary, shall be paid by the applicant.*

§ 51.36 *Basis for charges.* The fee for each lot of products inspected by a salaried inspector acting exclusively for the Department of Agriculture, except for peanuts, pecans, and other nuts, and except under the provisions of § 51.19, shall be on the following basis: (a) For an inspection covering quality and condition, $4 when the quantity involved is more than ½ a carload of the customary size for such products in the area from which shipped but not more than a full carload, and $2.50 when the quantity involved is not more than ½ of such a carload; (b) for a condition inspection, $2.50 when the quantity is not more than a carload of customary size; but the maximum fee for any carload not exceeding the customary size shall be $7.50. For each lot of peanuts, pecans, or other nuts inspected, except under § 51.19 the fee shall be $5 when the quantity involved is not more than a full carload, provided that different grades and varieties of peanuts shall be considered separate lots. When the lot involved is in excess of a carload or is not contained in cars, the quantity shall be calculated in terms of carloads and fractions thereof of the customary size for such carloads and the rates aforesaid applied, except that when inspections are made on which formal certificates are not issued, as provided in § 51.19, or when the products inspected cannot readily be calculated in terms of carlots, or when the services rendered are such that a charge on the carload basis would be inadequate or inequitable, charges for inspection may be based on the time consumed by the inspector in connection with such inspections, computed at the rate of not to exceed $2 per hour, or the charges may be based upon the number of pounds or number of containers in the lot inspected, provided such charges are in substantial conformity with the hourly or carload rate.*

§ 51.37 *Fees for inspections by licenses.* Fees for inspections made by a licensed inspector acting exclusively for the Agricultural Marketing Service shall be those provided in the terms of his contract of employment.*

§ 51.38 *Fees under cooperative agreement.* Fees for inspections made under cooperative agreements shall be those provided for by such agreements.*

§ 51.39 *Fees for appeal inspections.* Fees for appeal inspections of all products shall be double those for original inspections, except that when it is found that there was a material error in the determination based upon the original inspection no fee will be charged and except that appeal inspection for Government agencies shall be at actual cost, but the maximum fee for the reinspection of a single car shall not exceed $15.*

§ 51.40 *Traveling, and other expenses.* Such further charges may be made for traveling expenses and other items paid or incurred by the Agricultural Marketing Service in connection with an inspection made at a place where no inspector is located, or appeal inspection where the services of a second inspector are required, as will reimburse the Agricultural Marketing Service. These charges shall be included with the fee for inspection on the bill furnished the applicant.*

§ 51.41 *Fees for copies of inspection certificates.* For not to exceed three copies of a certificate furnished to any person financially interested in the products involved, except as provided in § 51.19, the fee shall be $1.*

§ 51.42 *How fees shall be paid.* Fees shall be paid by the applicant in accordance with the directions on the fee bill furnished him by the inspector, and in advance if required by the inspector.*

§ 51.43 *Disposition of fees.* The fees covered by §§ 51.36–51.38 shall be disposed of as follows:

(a) Fees for inspections made by salaried inspectors acting exclusively for the Agricultural Marketing Service shall be promptly remitted to the Service.

(b) Fees for inspections made by a licensed inspector acting exclusively for the Agricultural Marketing Service, less the percentage thereof which he is allowed by the terms of his contract of employment as compensation for his services, shall be remitted to the Agricultural Marketing Service.

(c) Fees for inspections made by an inspector acting under a cooperative agreement with a State or other organization shall be disposed of in accordance with the terms of such agreement. Such portion of the fees collected under a cooperative agreement with a State as may be due the United States shall be remitted to the Agricultural Marketing Service.

Fees covered by §§ 51.39–51.41 shall be remitted to the Agricultural Marketing Service.*

§ 51.44 *Refunds.* Upon filing a declaration of his intention to avail himself of this privilege any applicant who shall have paid for 500 or more carload inspections of fruits and vegetables for quality and condition in any one market within the period of one year immediately following such filing shall receive a refund from the Department at the rate of $1.50 per carload for the first 500 cars. For inspections in excess of 500 cars the fee shall be $2.50 per carload for the remainder of the year unless the total number exceeds 1,000, in which event the applicant shall be entitled to a further refund at the rate of $0.50 per carload for the entire number so inspected. Any applicant who shall have paid for 1,000 or more carload inspections of fruits and vegetables for condition in any one market within the period of one year immediately following such filing shall receive a refund from the Department at the rate of $0.50 per carload for the first 1,000 cars. For inspections in excess of 1,000 cars the fee shall be $2 per car during the remainder of the year. That if at any time before the first 1,000 cars are inspected for such applicant the Agricultural Marketing Service is unable during a continuous period of 30 days to furnish inspections when requested said refund of $1.50 per car shall be made on such cars as have been inspected up to that time on which a refund has not been made: *And provided further*, That in computing the number of carlot fees for the purposes of this section the total of fees paid by an applicant for refund on any basis of charges other than the carlot as provided in § 51.36 shall be reduced to a carlot basis by dividing by 4.*

§ 51.45 *Fraud or misrepresentation.* Any willful misrepresentation or any deceptive or fraudulent practice made or committed by any person in connection with the making or filing of an application, the making the product accessible for sampling or inspection as provided in § 51.13, the use of an inspection, reinspection or appeal inspection certificate, or any willful violation of the regulations in this part or of the supplementary rules and instructions issued by the Chief of Service, may be deemed sufficient cause for debarring from any further benefits of the Act the person found guilty thereof, after opportunity for hearing has been accorded him, and, pending investigation and hearing, the Chief of Service may, without hearing, direct that such person shall be denied the benefits of the act.*

§ 51.46 *Interfering with the inspector.* Any further benefits of the act may be denied to an applicant who either personally or through an agent or representative interferes with or obstructs, by intimidation, threats, assault, or any other improper means, an inspector in the performance of his duties.*

§ 51.47 *Publication.* Publication under the Act and these regulations shall be made in Service and Regulatory Announcements of the Agricultural Marketing Service and such other mediums as the Chief of Service may from time to time designate for the purpose.*

§ 51.48 *Political activity.* All inspectors authorized, either by appointment or license from the Secretary of Agriculture, to issue inspection certificates under the act and these regulations are forbidden, during the period of their appointment or license, to take an active part in political management or in political campaigns. Political activity in city, county, State, or national elections, whether primary or regular, or in behalf of any party or candidate, or any measure to be voted upon, is prohibited. This applies to all appointees, including temporary and cooperative employees, and employees on leave of absence with or without pay. Willful violation of this section will constitute grounds for dismissal in the case of appointees, and revocation of licenses in the case of licensees.*

§ 51.49 *Identification.* All inspectors shall have in their possession at all times Agricultural Marketing Service identification cards, and shall identify themselves by such cards on request.*

Done at Washington, D. C., this 27th day of December 1941. Witness my hand and the seal of the Department of Agriculture.

[SEAL] CLAUDE R. WICKARD,
Secretary of Agriculture.

[F. R. Doc. 41-9847; Filed, December 30, 1941; 11:12 a. m.]

CHAPTER VII—AGRICULTURAL ADJUSTMENT ADMINISTRATION

PART 727—FLUE-CURED TOBACCO

PROCLAMATION OF INCREASE IN THE NATIONAL MARKETING QUOTA FOR FLUE-CURED TOBACCO FOR THE 1942–43 MARKETING YEAR

The Secretary of Agriculture, acting under and pursuant to, and by virtue of, the authority vested in him by Section 312 of the Agricultural Adjustment Act of 1938, as amended, does hereby determine that:

§ 727.402 *Determination with respect to an increase in the National Marketing Quota for Flue-cured Tobacco for the marketing year beginning July 1, 1942.* It is necessary that the national marketing quota for flue-cured tobacco for the marketing year beginning July 1, 1942, as proclaimed by the Secretary of Agriculture on October 21, 1941, be increased in order to meet market demands and to avoid undue restriction of marketings in adjusting the total supply to the reserve supply level. Therefore, the amount of the national marketing quota for flue-cured tobacco, in terms of the total quantity of such tobacco which may be marketed during the marketing year beginning July 1, 1942 is increased to 679,800,000 pounds. (52 Stat. 38–43, 46; 53 Stat. 1261; 54 Stat. 392; 7 U.S.C. 1940 edition, 1312 (a))

Done at Washington, D. C. this 29th day of December 1941. Witness my hand and the seal of the Department of Agriculture.

[SEAL] CLAUDE R. WICKARD,
Secretary of Agriculture.

[F. R. Doc. 41-9850; Filed, December 30, 1941; 11:11 a. m.]

TITLE 14—CIVIL AVIATION

CHAPTER I—CIVIL AERONAUTICS BOARD

[Regulations, Serial No. 199]

PART 61—SCHEDULED AIR CARRIER RULES

SPECIAL REGULATION, CIVIL AIR REGULATIONS, AUTHORIZING EASTERN AIR LINES TO OPERATE AIRCRAFT INTO MOBILE MUNICIPAL AIRPORT UPON CERTAIN CONDITIONS

At a session of the Civil Aeronautics Board held at its office in Washington, D. C., on the 19th day of December 1941.

Having had under consideration the regular use of the Mobile Municipal Airport in scheduled air transportation, the Board finds that:

1. The Mobile Municipal Airport is reaching a stage of construction which will permit its regular use by aircraft operated in scheduled air transportation;

2. First pilots serving in air transportation for Eastern Air Lines on routes touching Brookley Field have become familiar with the new Mobile Municipal Airport through constant examination from the air, so that compliance with the provisions of the Civil Air Regulations requiring each first pilot to have landed at least once at each terminal, scheduled intermediate stop, and intermediate field is not required in the interest of safety: *Provided*, That the familiarity of the first pilot with the Mobile Municipal Airport be sufficiently demonstrated as hereinafter provided.

Now, therefore, the Civil Aeronautics Board, acting pursuant to the authority vested in it by the Civil Aeronautics Act of 1938, as amended, particularly sections 205 (a), 601 and 604 of said Act, makes and promulgates the following Special Regulation:

Notwithstanding any provisions of the Civil Air Regulations to the contrary, any first pilot listed in Eastern Air Lines' airman competency letter at the time said air carrier is authorized to commence operations at the Mobile Municipal Airport, as qualified to operate an aircraft in scheduled air transportation over a route for which Brookley Field presently serves as a terminal or intermediate stop, may operate aircraft into and out of the Mobile Municipal Airport in such air transportation upon

furnishing to Eastern Air Lines and to the Chief, Air Carrier Branch of the Civil Aeronautics Administration of the Second Region, Municipal Airport, Atlanta, Georgia, a satisfactory sketch of the Municipal Airport and a written inspection report describing its condition, construction, and surrounding terrain. Such sketch and report shall be preserved by Eastern Air Lines as specified in section 40.2611 (b) of the Civil Air Regulations for written reports and sketches of intermediate fields.

By the Civil Aeronautics Board.

[SEAL] DARWIN CHARLES BROWN,
Secretary.

[F. R. Doc. 41-9817; Filed, December 30, 1941; 10:03 a. m.]

CHAPTER II—ADMINISTRATOR OF CIVIL AERONAUTICS, DEPARTMENT OF COMMERCE

[Amendment No. 1 of Part 601]

PART 601—DESIGNATION OF CONTROL AIRPORTS AND AIRWAY CONTROL AREAS AND REPEAL OF CERTAIN CONTROL ZONES OF INTERSECTION

DECEMBER 29, 1941.

Acting pursuant to the authority vested in me by section 308 of the Civil Aeronautics Act of 1938, as amended, and Special Regulation of the Civil Aeronautics Board Serial No. 197, and finding that this action is necessary in the interest of safety and for the proper control of air traffic, I hereby amend Part 601[1] of the Regulations of the Administrator of Civil Aeronautics as follows:

1. By amending § 601.101 to read as follows:

§ 601.101 *Amber civil airway No. 7 airway traffic control areas (Key West, Fla., to Caribou, Maine).* Those portions of amber civil airway No. 7: From the Key West, Fla., radio range station, to a line extended at right angles across such airway through a point on the center line thereof 25 miles northeast of the Florence, S. C., radio range station; from a line extended at right angles across such airway through a point on the center line thereof 25 miles north of the Raleigh, N. C., radio range station, to the Caribou, Maine, radio range station.

2. By adding a new section, § 601.109 to read as follows:

§ 601.109 *Green civil airway No. 1 airway traffic control areas (U. S.-Canadian Border to Danforth, Maine).* All of green civil airway No. 1.

3. By adding a new section, § 601.110 to read as follows:

§ 601.110 *Green civil airway No. 2 airway traffic control areas (Seattle, Wash., to Boston, Mass.)* Those portions of green civil airway No. 2: From Boeing Field, Seattle, Wash., to a line extended at right angles across such airway through a point on the center line thereof 25 miles northwest of Superior, Mont.; from a line extended at right angles across such airway through a point on the center line thereof 25 miles southeast of the La Crosse, Wis., radio range station, to the intersection of the center line of the on course signal of the east leg of the Detroit, Mich. (Wayne County Airport), radio range and the U. S.-Canadian border; from the intersection of the center line of the on course signal of the west leg of the Buffalo, N. Y., radio range and the U. S.-Canadian border, to the Boston, Mass., radio range station.

4. By adding a new section, § 601.111 to read as follows:

§ 601.111 *Red civil airway No. 8 airway traffic control areas (Concord, N. H., to Portland, Maine).* All of red civil airway No. 8.

5. By adding a new section, § 601.112 to read as follows:

§ 601.112 *Red civil airway No. 13 airway traffic control areas (Westfield, Mass., to Boston, Mass.).* All of red civil airway No. 13.

6. By adding a new section, § 601.113 to read as follows:

§ 601.113 *Red civil airway No. 26 airway traffic control areas (New York, N. Y., to Syracuse, N. Y.).* All of red civil airway No. 26.

7. By adding a new section, § 601.114 to read as follows:

§ 601.114 *Blue civil airway No. 4 airway traffic control areas (Boston, Mass., to Rouses Point, N. Y.).* All of blue civil airway No. 4.

8. By adding a new section, § 601.115 to read as follows:

§ 601.115 *Blue civil airway No. 18 airway traffic control areas (Newark, N. J., to Burlington, Vt.).* All of blue civil airway No. 18.

9. By amending § 601.2 to include the repeal of the following control zones of intersection: Albany, New York; Boston, Massachusetts; Burlington, Vermont; Concord, New Hampshire; Millinocket, Maine; Portland, Maine; and Syracuse, New York.

10. By amending § 601.3 to include the designation of the following airports as control airports:

City	*Airport*
Bakersfield, Calif.__	Bakersville Municipal Airport (Kern County Airport).
Phoenix, Ariz.____	Phoenix Municipal Airport (Sky Harbor).

This amendment shall become effective 12:01 A. M., E. S. T., January 1, 1942.

DONALD H. CONNOLLY,
Administrator of Civil Aeronautics.

[F. R. Doc. 41-9816; Filed, December 30, 1941; 9:41 a. m.]

[1] 6 F.R. 6453.

TITLE 16—COMMERCIAL PRACTICES

CHAPTER I—FEDERAL TRADE COMMISSION

[Docket No. 4579]

PART 3—DIGEST OF CEASE AND DESIST ORDERS

IN THE MATTER OF WOODFINISHING PRODUCTS COMPANY ET AL.

§ 3.15 (a) *Bribing customers' employees—To influence employers—Employees of private concerns:* § 3.15 (b) *Bribing customers' employees—To purchase or push donor's goods.* In connection with offer, etc., in commerce, of paints, varnishes, stains, thinners, lacquers, sealers, toners, or other woodfinishing products, and on the part of respondent partners, trading as Woodfinishing Products Company, and respondent Thomas, individually and as agent thereof, and on the part of respondents' agents, etc., giving or offering to give sums of money or other things of value to employees of respondents' customers or prospective customers, or those of their competitors' customers or prospective customers, without the knowledge or consent of their employers, as inducements to influence said employees to purchase the products of respondents, or to recommend such purchases to said employers, or to recommend to said employers the use of respondents' products, or as promised gratuities for having induced such purchases by such employers, or for having recommended the use of respondents' products to such employers, or to influence such employers to refrain from dealing, or contracting to deal, with competitors of respondents, or to influence such employers to continue to deal with respondents, prohibited. (Sec. 5, 38 Stat. 719, as amended by sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, Woodfinishing Products Company et al., Docket 4579, December 23, 1941]

In the Matter of James Ledwith and Morton E. Rosenthall, Individually and as Copartners, Trading as Woodfinishing Products Company, and J. M. Thomas, Individually and as Agent for James Ledwith and Morton E. Rosenthall, Copartners, Trading as Woodfinishing Products Company

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 23rd day of December, A. D. 1941.

This proceeding having been heard[1] by the Federal Trade Commission, upon the complaint of the Commission and the answer of respondents, in which answer respondents admit all the material allegations of fact set forth in said complaint, and state that they waive all intervening procedure and further hearing as to said facts, and the Commission, having made its findings as to the facts and conclusion that said respondents have violated the provisions of the Federal Trade Commission Act;

[1] 6 F.R. 6196.

It is ordered, That the respondents, James Ledwith and Morton E. Rosenthal (named in the complaint herein as Morton E. Rosenthall) trading as Woodfinishing Products Company or trading under any other name or names, and respondent J. M. Thomas, individually and as agent for respondents James Ledwith and Morton E. Rosenthal, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of paints, varnishes, stains, thinners, lacquers, sealers, toners, or other woodfinishing products in commerce, as commerce is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

Giving or offering to give sums of money or other things of value to employees of respondents' customers or prospective customers, or those of their competitors' customers or prospective customers, without the knowledge or consent of their employers, as inducements to influence said employees to purchase the products of respondents, or to recommend such purchases to said employers, or to recommend to said employers the use of respondents' products, or as promised gratuities for having induced such purchases by such employers, or for having recommended the use of respondents' products to such employers, or to influence such employers to refrain from dealing, or contracting to deal, with competitors of respondents, or to influence such employers to continue to deal with respondents.

It is further ordered, That the respondents shall, within sixty (60) days after service upon them of this order file with the Commission a report in writing, setting forth in detail the manner and form in which they have complied with this order.

By the Commission.

[SEAL] JOE L. EVINS,
Acting Secretary.

[F. R. Doc. 41-9853; Filed, December 30, 1941; 11:36 a. m.]

[Docket No. 3973]

PART 3—DIGEST OF CEASE AND DESIST ORDERS

IN THE MATTER OF BEHO RUBBER COMPANY, INC., ET AL.

§ 3.69 (b) *Misrepresenting oneself and goods—Goods—Manufacture or preparation:* § 3.69 (b) *Misrepresenting oneself and goods—Goods—Qualities or properties:* § 3.69 (b) *Misrepresenting oneself and goods—Goods—Quality:* § 3.69 (b) *Misrepresenting oneself and goods—Goods—Sample, offer or order conformance:* § 3.72 (m10) *Offering deceptive inducements to purchase—Sample, offer or order conformance.* In connection with offer, etc., in commerce, of retreaded or recapped tires, and among other things, as in order set forth, representing (1) by the use of purported samples or otherwise, that the tires sold by respondents are of a quality or value different from that of the actual quality or value of such tires; (2) that the "carcasses" used by respondents in their retreaded or recapped tires are less than one year old, when such is not the fact; (3) that tires which are not free from boots or patches are free from boots or patches; (4) that the tires shipped by respondents will be of sizes ordered by the purchaser, unless said sizes are furnished; and (5) that tires which contain boots or patches, rotten rubber or other defects which render them not suitable for ordinary usage are suitable for ordinary usage, and that such tires will give many miles of service in the normal course of usage at a fraction of the cost of new tires; prohibited. (Sec. 5, 38 Stat. 719, as amended by sec. 3, 52 Stat. 112; 15 U.S.C. Supp. IV, sec. 45b) [Cease and desist order, Beho Rubber Company, Inc., et al., Docket 3973, December 23, 1941]

§ 3.69 (b) *Misrepresenting oneself and goods—Goods — Terms and conditions:* § 3.69 (b) *Misrepresenting oneself and goods—Goods—Undertakings, in general:* § 3.72 (n10) *Offering deceptive inducements to purchase—Terms and conditions:* § 3.72 (p) *Offering deceptive inducements to purchase — Undertakings, in general.* In connection with offer, etc., in commerce, of retreaded or recapped tires, and among other things, as in order set forth, representing (1) that tires ordered by purchasers will be shipped from any point other than the actual point of shipment; (2) that respondents will ship tires to purchasers on consignment unless such tires are shipped on consignment; (3) that the freight rate on respondents' tires will be lower than the actual rate applying to such shipments; (4) that respondents will supply purchasers of their tires with free tire racks and metal tire stands, when such is not the fact; and (5) that respondents will pay one-half or any other portion of the advertising expenditures incurred by purchasers in advertising respondents' products unless respondents pay such amounts to such purchasers as represented; prohibited. (Sec. 5, 38 Stat. 719, as amended by sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, Beho Rubber Company, Inc., et al., Docket 3973, December 23, 1941]

§ 3.6 (a) *Advertising falsely or misleadingly—Business status, advantages or connections of advertiser—Producer status of dealer or seller—Manufacturer:* § 3.69 (a) *Misrepresenting oneself and goods—Business status, advantages or connections—Concealed subsidiary or "alter ego":* § 3.69 (a) *Misrepresenting oneself and goods—Business status, advantages or connections—Connections and arrangements with others:* § 3.69 (a) *Misrepresenting oneself and goods—Business status, advantages or connections—Dealer as manufacturer:* § 3.69 (b) *Misrepresenting oneself and goods—Goods—Scientific or relevant facts.* In connection with offer, etc., in commerce, of retreaded or recapped tires, and among other things, as in order set forth, representing (1) that, except for sale over the counter at its retail store in Chicago, Sears Roebuck & Co. sell retreaded or recapped tires; (2) that respondents supply Sears Roebuck & Co. with retreaded or recapped tires for resale to the public; (3) that the business conducted by respondents under their several trade names has no connection with and is not a part of the business of respondents; and (4) that respondents manufacture the retreaded or recapped tires sold by them; prohibited. (Sec. 5, 38 Stat. 719, as amended by sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, Beho Rubber Company, Inc., et al., Docket 3973, December 23, 1941]

§ 3.6 (g) *Advertising falsely or misleadingly—Earnings:* § 3.6 (u) *Advertising falsely or misleadingly—Quality:* § 3.6 (ee) *Advertising falsely or misleadingly—Terms and conditions:* § 3.80 (c) *Securing agents or representatives falsely or misleadingly—Earnings:* § 3.80 (e5) *Securing agents or representatives falsely or misleadingly—Quality of product:* § 3.80 (i) *Securing agents or representatives falsely or misleadingly—Terms and conditions.* In connection with offer, etc., in commerce, of retreaded or recapped tires, and among other things, as in order set forth, representing (1) that the tires sold by respondents are of a quality or value different from that of the actual quality or value of such tires; (2) that any specified salary or commission is paid salesmen for the sale of respondents' products in excess of that actually paid; and (3) that persons learning to become salesmen will be reimbursed for the expenses incurred by them in this connection, when such is not the fact; prohibited. (Sec. 5, 38 Stat. 719, as amended by sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, Beho Rubber Company, Inc., et al., Docket 3973, December 23, 1941]

§ 3.72 (k5) *Offering deceptive inducements to purchase—Repair or replacement guarantee.* In connection with offer, etc., in commerce, of retreaded or recapped tires, and among other things, as in order set forth, representing that tires are sold under a warranty against defects, unless all the terms and conditions of such warranty are conspicuously set forth and strictly complied with, and inserting in the warranty clause of their order blanks a disclaimer of liability for promises and representations made to purchasers by respondents' salesmen, prohibited. (Sec. 5, 38 Stat. 719, as amended by sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, Beho Rubber Company, Inc., et al., Docket 3973, December 23, 1941]

In the Matter of Beho Rubber Company, Inc., a Corporation; and Bernard Holtzman, Mae Murray, and Milton M. Holtzman, Individually and as Officers and Directors of Beho Rubber Company, Inc., Also Trading as The Best Tire House, The Modern Improved Retread Outlet, and The Assured Remolded Tire Distributors

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 23rd day of December, A. D. 1941.

This proceeding having been heard [1] by the Federal Trade Commission upon the complaint of the Commission, the answers of respondents, testimony and other evidence in support of and in opposition to the allegations of the complaint, the report of the trial examiner thereon and exceptions thereto, and briefs filed on behalf of the Commission and of the respondents; and the Commission having made its findings as to the facts and its conclusion that the respondents have violated the provisions of the Federal Trade Commission Act;

It is ordered, That the respondent Beho Rubber Company, Inc., a corporation, also trading as The Best Tire House, The Modern Improved Retread Outlet, and The Assured Remolded Tire Distributors, its officers, directors, agents, representatives and employees, and respondents Bernard Holtzman, Mae Murray and Milton M. Holtzman, individually and as officers and directors of Beho Rubber Company, Inc., trading under its corporate name or under any of its said trade names, or any other trade name or names, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of retreaded or recapped tires, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing:

(1) By the use of purported samples or otherwise that the tires sold by respondents are of a quality or value different from that of the actual quality or value of such tires;

(2) That the "carcasses" used by respondents in their retreaded or recapped tires are less than one year old, when such is not the fact;

(3) That tires which are not free from boots or patches are free from boots or patches;

(4) That the tires shipped by respondents will be of sizes ordered by the purchaser, unless said sizes are furnished;

(5) That tires ordered by purchasers will be shipped from any point other than the actual point of shipment;

(6) That respondents will ship tires to purchasers on consignment unless such tires are shipped on consignment;

(7) That the freight rate on respondents' tires will be lower than the actual rate applying to such shipments;

(8) That, except for sale over the counter at its retail store in Chicago, Sears Roebuck & Co. sell retreaded or recapped tires;

(9) That respondents supply Sears Roebuck & Co. with retreaded or recapped tires for resale to the public;

(10) That respondents will supply purchasers of their tires with free tire racks and metal tire stands, when such is not the fact;

(11) That respondents will pay one-half or any other portion of the advertising expenditures incurred by purchasers in advertising respondents' products unless respondents pay such amounts to such purchasers as represented;

(12) That the business conducted by respondents under their several trade names has no connection with and is not a part of the business of respondents;

(13) That tires which contain boots or patches rotten rubber or other defects which render them not suitable for ordinary usage are suitable for ordinary usage and from representing that such tires will give many miles of service in the normal course of usage at a fraction of the cost of new tires;

(14) That respondents manufacture the retreaded or recapped tires sold by them;

(15) That any specified salary or commission is paid salesmen for the sale of respondents' products in excess of that actually paid;

(16) That persons learning to become salesmen will be reimbursed for the expenses incurred by them in this connection, when such is not the fact;

(17) That tires are sold under a warranty against defects unless all the terms and conditions of such warranty are conspicuously set forth and strictly complied with;

And do further cease and desist from:

Inserting in the warranty clause of their order blanks a disclaimer of liability for promises and representations made to purchasers by their salesmen.

It is further ordered, That the respondents shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

By the Commission.

[SEAL] JOE L. EVINS,
Acting Secretary.

[F. R. Doc. 41-9854; Filed, December 30, 1941; 11:36 a. m.]

[1] 5 F.R. 1110.

[Docket No. 4164]

PART 3—DIGEST OF CEASE AND DESIST ORDERS

IN THE MATTER OF MAGNETIC RAY COMPANY, ETC.

§ 3.6 (t) *Advertising falsely or misleadingly—Qualities or properties of product:** § 3.6 (x) *Advertising falsely or misleadingly—Results:* § 3.6 (y) *Advertising falsely or misleadingly—Safety.* In connection with offer, etc., of respondent's "magnetic ray" device, or any other substantially similar device, and among other things, as in order set forth, disseminating, etc., any advertisements by means of the United States mails, or in commerce, or by any means, to induce, etc., directly or indirectly, purchase in commerce, etc., of said device, which advertisements represent, directly or by implication, that the use of respondent's device provides a cure or remedy for rheumatism, eczema, diabetes, Bright's disease, arthritis, asthma, indigestion, constipation, hemorrhoids, varicose veins, ulcers, goiter, high blood pressure, catarrh, neuralgia, insomnia, neuritis, sciatica, anemia, catarrh, bronchitis, heart disease, obesity, low blood pressure, epilepsy, lumbago, impotence, menstrual troubles, catarrhal deafness, colds, sinus troubles, tuberculosis and tumors, and constitutes a safe, scientific, competent and effective treatment for such diseases and disorders, or any other disease or disorder, prohibited. (Sec. 5, 38 Stat. 719, as amended by sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, Magnetic Ray Company etc., Docket 4164, December 23, 1941]

§ 3.6 (a10) *Advertising falsely or misleadingly—Comparative data or merits:* § 3.6 (t) *Advertising falsely or misleadingly—Qualities or properties of product:* § 3.6 (x) *Advertising falsely or misleadingly—Results.* In connection with offer, etc., of respondent's "magnetic ray" device, or any other substantially similar device, and among other things, as in order set forth, disseminating, etc., any advertisements by means of the United States mails, or in commerce, or by any means, to induce, etc., directly or indirectly, purchase in commerce, of said device, which advertisements represent, directly or by implication, (1) that respondent's device, magnetic ray, exceeds electricity, light, heat, X-rays, radium rays, and violet and ultra-violet rays in therapeutic value; (2) that the use of said device stimulates the normal and healthful functioning of the various organs and glands of the body; (3) that the use of said device equalizes the circulation of the human blood, relieving congestions or lack of blood supply in any part of the body, relieves pain, produces marked relaxation and relieves muscular and nervous tension; and (4) that the use of said device stimulates rapid increase in the oxidation and elimination of accumulated poisons, thereby removing the condition of auto-toxemia; prohibited. (Sec. 5, 38 Stat. 719, as amended by sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, Magnetic Ray Company etc., Docket 4164, December 23, 1941]

In the Matter of Frank B. Moran, an Individual Doing Business as Magnetic Ray Company and Magnetic Ray Clinic

At a regular session of the Federal Trade Commission, held at its office in

the City of Washington, D. C., on the 23d day of December, A. D. 1941.

This proceeding having been heard [1] by the Federal Trade Commission upon the complaint of the Commission, the answer of respondent, the testimony and other evidence introduced in support of the complaint and the testimony introduced in opposition thereto, the report of the trial examiner thereon and the exceptions thereto, and briefs filed on behalf of the Commission and of the respondent, and the Commission having made its findings as to the facts and its conclusion that respondent has violated the provisions of the Federal Trade Commission Act:

It is ordered, That the respondent, Frank B. Moran, an individual doing business as Magnetic Ray Company and Magnetic Ray Clinic, or doing business under any other name, his representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of his device designated as "magnetic ray", or by any other name, or any other device of substantially similar construction, whether sold under the same name or any other name, do forthwith cease and desist from directly or indirectly;

(1) Disseminating or causing to be disseminated any advertisement by means of the United States Mails, or by any other means, in commerce as "commerce" is defined in the Federal Trade Commission Act, which advertisement represents, directly or by implication, that the use of respondent's device provides a cure or remedy for rheumatism, eczema, diabetes, Bright's disease, arthritis, asthma, indigestion, constipation, hemorrhoids, varicose veins, ulcers, goiter, high blood pressure, catarrh, neuralgia, insomnia, neuritis, sciatica, anemia, catarrh, bronchitis, heart disease, obesity, low blood pressure, epilepsy, lumbago, impotence, menstrual troubles, catarrhal deafness, colds, sinus troubles, tuberculosis and tumors, and constitutes a safe, scientific, competent and effective treatment for such diseases and disorders, or any other disease or disorder;

(2) Disseminating or causing to be disseminated any advertisement by means of the United States Mails, or by any other means, in commerce as "commerce" is defined in the Federal Trade Commission Act, which advertisement represents, directly or by implication—

(a) That respondent's device, magnetic ray, exceeds electricity, light, heat, X-rays, radium rays, and violet and ultra-violet rays in therapeutic value;

(b) That the use of respondent's device stimulates the normal and healthful functioning of the various organs and glands of the body;

(c) That the use of respondent's device equalizes the circulation of the human blood, relieving congestions or lack of blood supply in any part of the body, relieves pain, produces marked relaxation and relieves muscular and nervous tension;

(d) That the use of respondent's device stimulates rapid increase in the oxidation and elimination of accumulated poisons, thereby removing the condition of autotoxemia.

(3) Disseminating or causing to be disseminated any advertisement, by any means, for the purpose of inducing, or which is likely to induce, directly or indirectly, the purchase in commerce, as "commerce" is defined in the Federal Trade Commission Act, of said device, which advertisement contains any of the representations prohibited in Paragraphs (1) and (2) hereof.

It is further ordered, That the respondent shall, within sixty (60) days after the service upon him of this order, file with the Commission a report in writing, setting forth in detail the manner and form in which he has complied with this order.

By the Commission.

[SEAL] JOE L. EVINS,
Acting Secretary.

[F. R. Doc. 41-9855; Filed, December 30, 1941; 11:36 a. m.]

[1] 6 F.R. 1439.

TITLE 32—NATIONAL DEFENSE

CHAPTER VI—SELECTIVE SERVICE SYSTEM

PART 601—DEFINITIONS

Effective February 1, 1942, the Selective Service Regulations are hereby amended by rearranging the order in which the paragraphs hereinafter listed will appear; by assigning new numbers to such rearranged paragraphs; by changing the context of those paragraphs hereinafter listed which are followed by the words "as amended"; and by publishing such rearranged, renumbered, and amended paragraphs as the sections of Part 601 of the Second Edition of the Selective Service Regulations:

Paragraph 104 as amended becomes § 601.1.
Paragraph 105 becomes § 601.13.
Paragraph 106 becomes § 601.5.
Paragraph 107 becomes § 601.15.
Paragraph 108 as amended becomes § 601.14.
Paragraph 109 becomes § 601.4.
Paragraph 111 as amended becomes § 601.6.
Paragraph 113 as amended becomes § 601.11.
Paragraph 115 becomes § 601.9.
Paragraph 116 as amended becomes § 601.2.
Paragraph 117 becomes § 601.8.
Paragraph 118 becomes § 601.3.
Paragraph 405 as amended becomes § 601.12.
Paragraph 406 as amended becomes § 601.7.
Paragraph 407 becomes § 601.8.
Paragraph 603*a* as amended becomes § 601.9.
Paragraph 603*b* as amended becomes § 601.10.

PART 601—DEFINITIONS

Sec.
601.1 Definitions to govern.
601.2 Aliens.
601.3 Board of appeal.
601.4 County.
601.5 Delinquent.
601.6 Governor.
601.7 Inducted man.
601.8 Induction station.
601.9 Military.
601.10 Physical.
601.11 Registrant.
601.12 Selected man.
601.13 Selective service law.
601.14 State.
601.15 Singular and plural.

§ 601.1 *Definitions to govern.* The definitions contained in this part shall govern in the interpretation of the Selective Service Regulations.*

*§§ 601.1 to 601.15, inclusive, issued under the authority contained in 54 Stat. 885; 50 U.S.C., Sup., 301-318, inclusive, E.O. No. 8545, 5 F.R. 3779.

§ 601.2 *Aliens.* (a) The term "alien" means any person who is not a national of the United States.

(b) The term "national of the United States" means (1) a citizen of the United States or (2) a person who, though not a citizen of the United States, owes permanent allegiance to the United States.

(c) The term "citizen or subject of a neutral country" is used to designate any alien except (1) a citizen or subject of a cobelligerent country or (2) an alien enemy.

(d) The term "cobelligerent country" means any country at war with a country against which the United States has declared war.

(e) The term "alien enemy" means a citizen or subject of any country who has been or may hereafter be proclaimed by the President to be an alien enemy of the United States.*

§ 601.3 *Board of appeal.* The term "board of appeal" when used in these regulations shall mean "appeal board." *

§ 601.4 *County.* The word "county" includes, where applicable, counties, independent cities, and similar subdivisions, such as the independent cities of Virginia, the parishes of Louisiana, and the towns of the New England States.*

§ 601.5 *Delinquent.* A "delinquent" is (a) any man, required under the selective service law and directions given pursuant thereto to present himself for and submit to registration on a certain day fixed by the President, who fails to so present himself for and submit to registration on that day and has no valid reason for having failed to perform that duty; or (b) any registrant who, prior to his induction into the military service, fails to perform, at the required time or within the allowed period of given time, any duty imposed upon him by the selective service law and directions given pursuant thereto and has no valid reason for having failed to perform that duty.*

§ 601.6 *Governor.* The word "Governor" includes, where applicable, the Governor of each of the States of the United States, the Governor of the Territory of Alaska, the Governor of the Territory of Hawaii, the Governor of Puerto

Rico, and the Commissioners of the District of Columbia.*

§ 601.7 *Inducted man.* An "inducted man" is a man who has become a member of the land or naval forces through the operation of the Selective Service System.*

§ 601.8 *Induction station.* The term "induction station" refers to any camp, post, ship, or station at which selected men are received by the military authorities and, if found acceptable, are inducted into military service.*

§ 601.9 *Military.* The term "military" includes the Army, the Navy, and the Marine Corps, except where such construction would be unreasonable.*

§ 601.10 *Physical.* The term "physical," in such phrases as "physical examination," "physical defects," and "physical condition," shall comprehend the physical, psychic, and nervous aspects, except where such construction would be unreasonable.*

§ 601.11 *Registrant.* A "registrant" is a person registered under the selective service law and includes any person outside the age of liability for training and service who is authorized to and who does volunteer under the selective service law.*

§ 601.12 *Selected man.* A "selected man" is any registrant who has been designated by a local board to fill a call.*

§ 601.13 *Selective service law.* The term "selective service law" includes the Selective Training and Service Act of 1940, and all acts and resolutions amending or supplementing that act, and all rules and regulations issued thereunder.*

§ 601.14 *State.* The word "State" includes, where applicable, the several States of the United States, the Territory of Alaska, the Territory of Hawaii, Puerto Rico, and the District of Columbia.*

§ 601.15 *Singular and plural.* Words importing the singular number shall include the plural, and vice versa, except where such construction would be unreasonable.*

LEWIS B. HERSHEY,
Director.

DECEMBER 18, 1941.

[F. R. Doc. 41-9818; Filed, December 30, 1941; 10:55 a. m.]

PART 602—SELECTIVE SERVICE PERSONNEL

Effective February 1, 1942, the Selective Service Regulations are hereby amended by rearranging the order in which the paragraphs hereinafter listed will appear; by assigning new numbers to such rearranged paragraphs; by changing the context of those paragraphs hereinafter listed which are followed by the words "as amended"; and by publishing such rearranged, renumbered, and amended paragraphs as the sections of Part 602 of the Second Edition of the Selective Service Regulations:

Paragraph 148 as amended becomes § 602.2.
Paragraph 171 as amended becomes § 602.4.
Paragraph 174 (1st sentence) as amended becomes § 602.5, (2d sentence) as amended becomes § 602.8.
Paragraph 175*a* as amended becomes § 602.5.
Paragraph 175*b* as amended becomes § 602.6.
Paragraph 175*c* as amended becomes § 602.8.
Paragraph 175*d* as amended becomes § 602.7.
Paragraph 177 as amended becomes § 602.6.
Paragraph 512 as amended becomes § 602.2.
Paragraph 513 as amended becomes § 602.3.
Paragraph 555 becomes § 602.1.

PART 602—SELECTIVE SERVICE PERSONNEL

Sec.
602.1 Citizenship.
602.2 Voluntary services.
602.3 Uncompensated services.
602.4 Oath of Office and Waiver of Pay or Compensation (Form 21).
602.5 Termination of appointment.
602.6 Removal.
602.7 Suspension.
602.8 Vacancies.

§ 602.1 *Citizenship.* No person shall be appointed to any position in the Selective Service System who is not a citizen of the United States.*

*§§ 602.1 to 602.8, inclusive, issued under the authority contained in 54 Stat. 885; 50 U.S.C., Sup., 301-318, inclusive; E.O. No. 8545, 5 F.R. 3779.

§ 602.2 *Voluntary services.* Voluntary services in the administration of the selective service law may be accepted and should be encouraged.*

§ 602.3 *Uncompensated services.* The services of registrars, members of local boards, members of boards of appeal, members of medical advisory boards, members and associate members of advisory boards for registrants, government appeal agents and associate government appeal agents, examining physicians and examining dentists, reemployment committeemen, interpreters, and all other persons volunteering their services to assist in the administration of the selective service law shall be uncompensated.*

§ 602.4 *Oath of Office and Waiver of Pay or Compensation (Form 21).* (a) Every person who undertakes to render voluntary uncompensated service in the administration of the selective service law shall, before he enters upon his duties, execute an Oath of Office and Waiver of Pay or Compensation (Form 21).*

(b) Every person who undertakes to render compensated service in the administration of the selective service law shall, before he enters upon his duties, execute the Oath of Office portion of Form 21, but shall not execute the Waiver of Pay or Compensation portion of Form 21.

(c) When executed in the manner hereinbefore provided, the Oath of Office and Waiver of Pay or Compensation (Form 21) shall be sent to the State Director of Selective Service for filing.*

§ 602.5 *Termination of appointment.* The appointment of any deputy, officer, agent, employee, or other person engaged in the administration of the selective service law, whether with or without compensation, may be terminated by resignation, transfer, death, or removal.*

§ 602.6 *Removal.* Any deputy, officer, agent, employee, or other person engaged in the administration of the selective service law may be removed by the Director of Selective Service with or without a recommendation of the Governor. The Governor may recommend to the Director of Selective Service the removal, for cause, of any deputy, officer, agent, employee, or other person assisting in the administration of the selective service law in his State. The Director of Selective Service shall make such investigation of the Governor's recommendation as he deems necessary and upon completion thereof shall take such action thereon as he deems proper.*

§ 602.7 *Suspension.* The Director of Selective Service may suspend any deputy, officer, agent, employee, or other person engaged in the administration of the selective service law, pending his consideration of the advisability of removing any such person. During the period that such person is suspended, he shall be disqualified to act in his official capacity.*

§ 602.8 *Vacancies.* Vacancies shall be filled by an appointment made in the same manner and by the same person or board as in the case of an original appointment.*

LEWIS B. HERSHEY,
Director.

DECEMBER 18, 1941.

[F. R. Doc. 41-9819; Filed, December 30, 1941; 10:55 a. m.]

PART 603—SELECTIVE SERVICE OFFICERS

Effective February 1, 1942, the Selective Service Regulations are hereby amended by rearranging the order in which the paragraphs hereinafter listed will appear; by assigning new numbers to such rearranged paragraphs; by changing the context of those paragraphs hereinafter listed which are followed by the words "as amended"; by adding two new sections; and by publishing such rearranged, renumbered, and amended paragraphs and the new sections as the sections of Part 603 of the Second Edition of the Selective Service Regulations:

Paragraph 119 becomes § 603.1.
Paragraph 120 as amended becomes § 603.11.
Paragraph 121 as amended becomes § 603.12.
Paragraph 122 as amended becomes § 603.13.
Paragraph 123 as amended becomes § 603.14.
Paragraph 124 as amended becomes § 603.15.
Paragraph 125 becomes § 603.51.
Paragraph 126 becomes § 603.52.
Paragraph 127 becomes § 603.53.
Paragraph 128 (1st and 2d sentences) becomes § 603.54.
Paragraph 128 (3d and 4th sentences) becomes § 603.55.
Paragraph 129 as amended becomes § 603.56.
Paragraph 130 as amended becomes § 603.58.
Paragraph 131 as amended becomes § 603.60.
Paragraph 133 as amended becomes § 603.91.
Paragraph 134 as amended becomes § 603.61.
Paragraph 134 as amended becomes § 603.62.
Paragraph 135 as amended becomes § 603.71.
Paragraph 137 becomes § 603.21.
Paragraph 138 becomes § 603.22.
Paragraph 139 becomes § 603.23.
Paragraph 140*a* becomes § 603.24.
Paragraph 140*b* as amended becomes § 603.25.

Paragraph 141 as amended becomes § 603.26.
Paragraph 142 as amended becomes § 603.27.
Paragraph 143 as amended becomes § 603.29.
Paragraph 145 as amended becomes § 603.41.
Paragraph 146 becomes § 603.31.
Paragraph 169 as amended becomes § 603.28.
Paragraph 169 as amended becomes § 603.59.
Paragraph 170b as amended becomes § 603.57.
Paragraph 172 becomes § 603.91.
Paragraph 173 as amended becomes § 603.57.
New Section § 603.63.
New Section § 603.81.

PART 603—SELECTIVE SERVICE OFFICERS

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NATIONAL ADMINISTRATION

§ 603.1 *Director of Selective Service.* The Director of Selective Service is responsible directly to the President. He is hereby charged with the administration of the selective service law and is hereby authorized and directed:

(a) To prescribe such amendments to these regulations as he shall deem necessary.

(b) To issue such public notices, orders, and instructions as shall be necessary to the efficient administration of the selective service law.

(c) To obligate funds appropriated for the administration of the selective service law.

(d) To appoint such officers, employees, assistants, and deputies whose salary is $5,000 per annum or less, as shall be necessary to the efficient administration of the selective service law.

(e) To perform such other duties as shall be required of him under the selective service law.

(f) To delegate any of his functions and powers to such officers, agents, or persons as he may designate.*

*§§ 603.1 to 603.91, inclusive, issued under the authority contained in 54 Stat. 885; 50 U.S.C., sup., 301-318, inclusive, E.O. No. 8545, 5 F.R. 3779.

STATE ADMINISTRATION

§ 603.11 *Governor.* The Governor of each State shall have charge of the administration of the selective service law in his State. The office by means of which he performs his selective service functions shall be called "State Headquarters for Selective Service." State Headquarters for Selective Service shall be an office of record for selective service operations only; all selective service records and no other records shall be maintained in this office. For the operation of State Headquarters for Selective Service any necessary expense, including the hire of clerical personnel, shall be paid for by the Federal Government as provided in these regulations.*

§ 603.12 *State Director of Selective Service.* The Governor of each State is authorized to recommend for appointment an official to whom he may delegate his administrative functions relating to selective service. This official, if so recommended and appointed, shall be called the "State Director of Selective Service" and shall be in immediate charge of State Headquarters for Selective Service.*

§ 603.13 *State procurement officer.* In each State, a State procurement officer shall be appointed upon recommendation of the Governor. He shall report to the State Director of Selective Service for duty at State Headquarters for Selective Service.*

§ 603.14 *State medical officers.* In each State, one or more medical officers of the land or naval forces shall be assigned by the President, upon recommendation of the Governor. Medical officers shall report to the State Director of Selective Service for duty at State Headquarters for Selective Service.*

§ 603.15 *State occupational advisers.* (a) In each State, one or more officers of the land or naval forces may be designated for the purpose of furnishing information with respect to occupational deferments and labor supply. Such officer shall report to the State Director of Selective Service for duty at State Headquarters for Selective Service. Such officer shall maintain liaison between State Headquarters and procurement agencies of the War and Navy Departments in the State through the State Director of Selective Service; and liaison between State Headquarters for Selective Service and procurement agencies in Washington, D. C., through the Director of Selective Service; and shall perform such other duties and functions as may be assigned to him by the State Director of Selective Service.

(b) One or more representatives of labor, an equal number of representatives of industry and, where applicable, one or more representatives of agriculture shall be appointed by the Governor in each appeal board area for the purpose of assisting the State occupational advisor in securing information with respect to occupational deferments.*

BOARDS OF APPEAL

§ 603.21 *Area.* Each State Director of Selective Service shall establish one or more board of appeal areas in his State. Each such area shall include whole local board areas and, unless a larger number is authorized by the Director of Selective Service, should have not more than 70,000 registrants as a result of the first registration.*

§ 603.22 *Composition and appointment.* For each board of appeal area, a board of appeal, normally of five members, shall be appointed by the President, upon recommendation of the Governor. The members shall be male citizens of the United States who are not members of the land or naval forces; they shall be residents of the area for which their board is appointed; and they should be at least 36 years old. The board of appeal should be a composite board, representative of all activities of its district, and as such should include one member from labor, one member from industry, one physician, one lawyer, and, where applicable, one member from agriculture. If the number of appeals sent to one board becomes too great for the board to handle without undue delay, additional groups of five members similarly constituted shall be appointed to the board by the President, upon recommendation of the Governor. Each such group shall have full authority to act for the board on all cases assigned to it by the board. Each group shall act separately. An additional member, who shall supervise and coordinate the work of all the groups of a board of appeal, shall be appointed by the President, upon recommendation of the Governor.*

§ 603.23 *Designation.* Where there is only one board of appeal for a State, the board shall be called Board of Appeal for the State of _____. Where there is more than one board of appeal for a State, each board shall be given a number and called Board of Appeal No. ____, for the State of _____.*

§ 603.24 *Jurisdiction.* Each board of appeal shall have jurisdiction to review any decision by any local board in the area of the board of appeal and to affirm or change such decision, when appealed to it. It shall have the same appellate jurisdiction to review any decision transferred to it by another board of appeal for review. In the event a decision over which it does not have jurisdiction is submitted to a board of appeal, the board of appeal shall immedi-

ately return same to the local board from which received, calling attention to the lack of its jurisdiction.*

§ 603.25 *Disqualification.* No member of any board of appeal shall act on the case of a registrant who is his first cousin or closer relation, either by blood or marriage, or who is an employer or employee, or stands in the relationship of superior or subordinate in connection with any employment, or is a partner or close business associate of the member. If because of such provision, or for any other reason, a board of appeal cannot act on the case of a registrant, it shall transfer such case to another board of appeal as provided in § 627.22.*

§ 603.26 *Organization and meetings.* The board shall elect a chairman and a secretary. A majority of the board shall constitute a quorum for the transaction of business. A majority of those present at any meeting shall decide any question. Every member present, unless disqualified, shall vote on every classification. In case of a tie vote on a classification, the board shall postpone action until it can be decided by a majority vote. If any member is absent so long as to hamper the work of the board, the board shall request the Governor to recommend to the President that such member be removed and a new member appointed.*

§ 603.27 *Minutes of meetings.* Each board of appeal shall keep a record of each meeting of the board by making appropriate entries in the Minute Book (Form 101).*

§ 603.28 *Signing official papers.* Official papers issued by a board of appeal may be signed by the clerk "by direction of the board of appeal" if he is authorized to do so by a resolution duly adopted by and entered in the minutes of such board of appeal, provided that the chairman or a member of a board of appeal must sign a particular paper when specifically required to do so by the provisions of a regulation or by an instruction issued by the Director of Selective Service.*

§ 603.29 *Office.* Each board of appeal, subject to the approval of the State Director of Selective Service, may select a location for its office. The location of the office may be changed by the State Director of Selective Service or the Director of Selective Service.*

MEDICAL ADVISORY BOARDS

§ 603.31 *Composition, appointment, and duties.* In each State, medical advisory boards shall be appointed by the Governor to assist local boards in determining the physical qualifications of registrants. The board shall, if practicable, consist of internists; eye, ear, nose, and throat specialists; orthopedists; surgeons; psychiatrists; clinical pathologists; radiographers; and dentists. In the event that a medical advisory board cannot be made available to a local board, the Governor shall appoint individual specialists, who shall act as a medical advisory board, to assist the local board.*

ADVISORY BOARDS FOR REGISTRANTS

§ 603.41 *Composition, appointment, and duties.* In each State, advisory boards for registrants shall be appointed by the Governor to insure that advice and assistance in preparing Selective Service Questionnaires (Form 40), claims, or other papers which will serve as a basis for classification are readily available to every registrant. Each board shall normally be composed of three lawyers or three other reputable persons. The chairman shall be, if practicable, a judge of a county court or of a court of similar jurisdiction. Associate members of the advisory boards for registrants shall be appointed by the Governor upon recommendation of the members of the advisory boards for registrants. The advisory boards for registrants shall certify to the Governor the names of all persons who are associate members of advisory boards for registrants and who have been appointed through the procedure heretofore existing. The appointment of such persons will then be completed in the same manner as for persons who are hereafter appointed to be associate members.*

LOCAL BOARDS

§ 603.51 *Area.* Each State shall be divided into local board areas by the Governor. Each area should have a population of about 30,000. There shall be at least one separate local board area in each county.*

§ 603.52 *Composition and appointment.* For each local board area, a local board of three or more members shall be appointed by the President, upon recommendation of the Governor. The members shall be male citizens of the United States who are not members of the land or naval forces; they preferably should be residents of the area for which their board is appointed, and in any event, shall be residents of the county in which their local board has jurisdiction; and they should be at least 36 years old.*

§ 603.53 *Designation.* Each local board shall be given a specific name or number, or both, by the Governor, and it shall be so known.*

§ 603.54 *Jurisdiction.* The jurisdiction of each local board shall extend to all persons registered in, or subject to registration in, the area for which it was appointed and to all persons whose Registration Cards (Form 1) are duly transferred to it. It shall have full authority to do and perform all acts authorized by the selective service law.*

§ 603.55 *Disqualification.* (a) No member shall act on the case of a registrant who is his first cousin or closer relation, either by blood or marriage, or who is an employee or employer, or stands in the relation of superior or subordinate in connection with any employment, or is a partner or close business associate of the member. If because of this provision a majority of a board cannot act on the case of a registrant, the board shall transfer the registrant to another local board for action on his case.

(b) The local board shall be disqualified to consider the classification of any registrant who is a member, examining physician, examining dentist, governmental appeal agent, associate government appeal agent, member of an advisory board for registrants, associate member of an advisory board for registrants, reemployment committeeman, or employee of such local board, and in each such case it shall advise the State Director of Selective Service of its disqualification. The State Director of Selective Service will then designate another local board to classify such registrant and the registrant shall be transferred for classification to the local board thus designated in the manner provided in § 623.12. The local board so designated shall classify the registrant and retain jurisdiction of his classification at all times.*

§ 603.56 *Organization and meetings.* The board shall elect a chairman and a secretary. A majority of the board shall constitute a quorum for the transaction of business. A majority of those present at any meeting shall decide any question or classification. Every member present, unless disqualified, shall vote on every question or classification. In case of a tie vote on any question or classification, the board shall postpone action on the question or classification until it can be decided by a majority vote. If any member is absent so long as to hamper the work of the board, the board shall request the Governor to recommend to the President that such member be removed and a new member appointed.*

§ 603.57 *Oath of witnesses.* A member of the local board shall administer the following oath to every person testifying before the local board:

> You swear (or affirm) that the evidence you give in the matter now in hearing shall be the truth, the whole truth, and nothing but the truth. So help you God.

*

§ 603.58 *Minutes of meetings.* Each local board shall keep a record of each meeting of the board by making appropriate entries in the Minute Book (Form 101).*

§ 603.59 *Signing official papers.* Official papers issued by a local board may be signed by the clerk "by direction of the local board" if he is authorized to do so by a resolution duly adopted by and entered in the minutes of such local board, provided that the chairman or a member of a local board must sign a particular paper when specifically required to do so by the provisions of a regulation or by an instruction issued by the Director of Selective Service.*

§ 603.60 *Office.* Each local board, subject to the approval of the State Director of Selective Service, may select a location for its office. The location of the office may be changed by the State

Director of Selective Service or the Director of Selective Service.*

EXAMINING PHYSICIANS AND DENTISTS

§ 603.61 *Examining physicians.* The President shall, from qualified persons recommended by the Governor, appoint at least one examining physician for each local board and may, from qualified persons recommended by the Governor, appoint such additional examining physicians for each local board as he deems necessary for the examination of the registrants of such local board. The State Director of Selective Service may authorize any duly appointed examining physician to examine registrants for any local board within the State.*

§ 603.62 *Examining dentists.* The President may, from qualified persons recommended by the Governor, appoint one or more examining dentists for each local board as he deems necessary for the dental examination of the registrants of such local board. The State Director of Selective Service may authorize any duly appointed examining dentist to examine registrants for any local board within the State.*

§ 603.63 *Disqualification.* No examining physician or examining dentist shall examine for a local board any registrant who is his first cousin or a closer relation, either by blood or marriage, or who is an employee or employer, or stands in relation of superior or subordinate in connection with any employment, or is a partner or close business associate of such examining physician or dentist.*

GOVERNMENT APPEAL AGENTS

§ 603.71 *Appointment and duties.* (a) For each local board, a government appeal agent shall be appointed by the President, upon recommendation of the Governor. The duties of the person so designated are: To appeal from any classification by a local board which, in his opinion, should be reviewed by the board of appeal; to care for the interests of ignorant registrants and their dependents with respect to appeals and, where the decision of the local board is against the interests of such persons and where it appears that such persons may not take appeals, due to their own nonculpable ignorance, to inform them of their rights and assist them to enter appeals to the board of appeal; and, after classification, to investigate and report upon matters which are submitted for his investigation by the local board. It shall also be the duty of such government appeal agent, where the interests of justice may require, to suggest to the local board a reopening of any case and to impart to the local board any information which in his opinion ought to be investigated. The government appeal agent should expedite the examination of the records of registrants as soon as they have been classified by the local board in order that appeals to the board of appeal, where found necessary, may be filed within the time limit specified in the regulations.

(b) An associate government appeal agent may be appointed for a local board by the President when the government appeal agent requests such assistance and, in the opinion of the Governor, the circumstances require it, and the Governor recommends the appointment. He shall perform such duties and shall have such powers and rights as are delegated to him by the government appeal agent. In the absence or inability of the government appeal agent to act, he shall perform the duties and shall have the powers and rights of the government appeal agent.*

REEMPLOYMENT COMMITTEEMEN

§ 603.81 *Appointment and duties.* (a) For each local board area, one or more reemployment committeemen shall be appointed by the Director of Selective Service, upon recommendation of the State Director of Selective Service. Each State Director of Selective Service shall certify to the Director of Selective Service the names of all persons who have been appointed reemployment committeemen through the procedure heretofore existing. The appointment of such persons will then be completed in the same manner as for persons who are hereafter appointed to be reemployment committeemen.

(b) It shall be the duty of reemployment committeemen to render aid in the replacement in their former position of, or in securing new positions for, the following:

(1) Any person who, subsequent to May 1, 1940, shall have entered upon active military or naval service in the land or naval forces of the United States if such person has satisfactorily completed any period of active duty; or

(2) Any person who shall have satisfactorily completed any period of his training and service under the Selective Training and Service Act of 1940.

When necessary, reemployment committeemen, in order to secure compliance with the law, shall assist any such person to present complete facts relating to his case to the proper authorities.*

INTERPRETERS

§ 603.91 *Appointment and oath.* (a) When necessary, the local board shall use interpreters.

(b) The following oath shall be administered to an interpreter each time he is used by a local board:

You swear (or affirm) that you will truly interpret in the matter now in hearing. So help you God.

*

LEWIS B. HERSHEY,
Director.

DECEMBER 18, 1941.

[F. R. Doc. 41-9820; Filed, December 30, 1941; 10:55 a. m.]

PART 604—CIVILIAN EMPLOYEES

Effective February 1, 1942, the Selective Service Regulations are hereby amended by rearranging the order in which the paragraphs hereinafter listed will appear; by assigning new numbers to such rearranged paragraphs; by changing the context of those paragraphs hereinafter listed which are followed by the words "as amended"; and by publishing such rearranged, renumbered, and amended paragraphs as the sections of Part 604 of the Second Edition of the Selective Service Regulations:

Paragraph 132 as amended becomes § 604.21.
Paragraph 144 as amended becomes § 604.31.
Paragraph 510*a* as amended becomes § 604.1.
Paragraph 510*b* as amended becomes § 604.21.
Paragraph 511 as amended becomes § 604.1.
Paragraph 511 as amended becomes § 604.11.
Paragraph 514 as amended becomes § 604.1.
Paragraph 516 as amended becomes § 604.51.
Paragraph 517 as amended becomes § 604.21.
Paragraph 518 as amended becomes § 604.31.
Paragraph 519*a* as amended becomes § 604.1.
Paragraph 519*c* as amended becomes § 604.2.
Paragraph 519*e* as amended becomes § 604.12.
Paragraph 552 as amended becomes § 604.1.
Paragraph 554*a* as amended becomes § 604.51.
Paragraph 554*b* as amended becomes § 604.31.
Paragraph 554*c* as amended becomes § 604.41.
Paragraph 554*d* as amended becomes § 604.21.
Paragraph 556 as amended becomes § 604.71.
Paragraph 557*a* as amended becomes § 604.1.
Paragraph 557 as amended becomes § 604.73.
Paragraph 558*a* as amended becomes § 604.12.
Paragraph 558*b* as amended becomes § 604.11.
Paragraph 559 as amended becomes § 604.74.
Paragraph 560 as amended becomes § 604.74.
Paragraph 561 as amended becomes § 604.75.
Paragraph 561*e* as amended becomes § 604.12.
Paragraph 562 as amended becomes § 604.75.
Paragraph 563 as amended becomes § 604.72.
New Section § 604.61.

PART 604—CIVILIAN EMPLOYEES

EMPLOYMENT IN GENERAL

§ 604.1 *Appointment and tenure.* (a) All civilian employees engaged in the administration of the selective service law who receive compensation from the United States, including temporary and

intermittent or part-time employees, shall be employed in accordance with the provisions of the Federal civil service laws and the rules and regulations of the United States Civil Service Commission; *Provided, however,* That no civilian shall be employed at a salary rate of $2,000 or more per annum without the prior and specific written approval of the Director of Selective Service.

(b) All such civilian employees (other than those intermittent or part-time employees who come within the provisions of § 604.2) shall be selected from the first three available persons on a certificate of eligibles secured from the district manager of the United States Civil Service Commission. (*See* § 604.71 et seq.)

(c) Attention is directed to the several statutory provision prohibiting or restricting the receipt of dual compensation from the United States. No person receiving salary or compensation from the United States Government shall be appointed to the Selective Service System without the eligibility of such person to receive dual compensation being first ascertained. Complete details shall be submitted to the Director of Selective Service for his advice and approval.

(d) When the State Director of Selective Service or the Director of Selective Service finds the employment of any clerk or other employee to be unnecessary, it shall be his duty to order the discontinuance of such employment.*

*§§ 604.1 to 604.75, inclusive, issued under the authority contained in 54 Stat. 885; 50 U.S.C., Sup., 301–318, inclusive, E.O. No. 8545, 5 F.R. 3779.

§ 604.2 *Intermittent or part-time employees.* (a) Any person whose duties will require only a portion of his time or whose services will be needed only for very brief periods at intervals and whose personal salary compensation will aggregate not more than $540 per annum may be employed under the provisions of Schedule A, section I, paragraph 6, of the civil service rules without selection from a civil service register of eligibles.

(b) A report of each person so employed shall be submitted through the State Director of Selective Service direct to the Director of Selective Service.

(c) At the end of each calendar year, a statement for each person so employed during the year, showing the number of days he served by months, the rate of his compensation, and the aggregate sum paid to him, shall be submitted through the State Director of Selective Service direct to the Director of Selective Service.

(d) Persons shall not be employed for job work under the provisions of this section. (*See* sec. 4, rule VIII, of the civil service rules.)*

COMPENSATION IN GENERAL

§ 604.11 *Fixing compensation.* (a) The classification grades and salary rates prescribed by the Classification Act of 1923, as amended, shall apply to all civilian employees receiving compensation from the United States, except the following:

(1) Local board employees.
(2) Persons employed in Puerto Rico.
(3) Persons appointed by the President.

(b) The salary rates of civilian employees of local boards shall be fixed in the manner set out in § 604.21.

(c) The salary rates of civilian employees in Puerto Rico shall be fixed in accordance with instructions given and limitations imposed by the Director of Selective Service.

(d) The salary rates of civilian employees appointed by the President will be fixed by the appointing authority.

(e) When the State Director of Selective Service or the Director of Selective Service finds the classification grade or salary rate of any clerk or other employee to be excessive, it shall be his duty to order the reduction of the classification grade or of the salary rate.*

§ 604.12 *Salary rates.* (a) All original appointments to positions subject to the Classification Act of 1923, as amended, shall be at the minimum salary for the respective classification grade.

(b) An appointment by reinstatement or by transfer from another Government agency is not considered an original appointment and may be made at any standard salary rate, in the appropriate classification grade, not exceeding the salary received in the former position, except that in the case of an appointment by reinstatement or transfer to a position of a classification grade carrying a higher entrance salary than the salary received in the former position, the salary shall be the minimum for the new classification grade.

(c) Any part-time or intermittent employment shall be at one of the standard classification grades and salaries.

(d) If an employee is entitled to the benefits of the Civil Service Retirement Act of May 29, 1920, as amended, 3½ percent shall be deducted from each of his pay checks for credit to the retirement fund.*

LOCAL BOARD EMPLOYEES

§ 604.21 *Appointment and tenure.* (a) Local board employees must be employed under civil service laws and civil service rules and regulations. They are not, however, subject to the provisions of the Classification Act of 1923, which provides for the classification grades and pay scale for certain civilian positions. They are neither given classification grades nor is their compensation fixed or governed by the provisions of that Act. Each local board shall by a majority vote determine the individuals to be employed, and the chairman of the local board shall act as the appointing officer. Each local board may by a majority vote designate one of its employees as the clerk of the local board.

(b) The number of persons employed by each local board on a full-time, temporary, part-time, or intermittent basis and the rates of compensation to be paid shall be fixed by the State Director of Selective Service in accordance with instructions given and limitations imposed by the Director of Selective Service. Before fixing the rates of compensation to be paid to employees of a local board, the State Director of Selective Service should determine the rates being paid in the same community for the same or similar services, and the rates of compensation fixed by him should not exceed that amount.

(c) Each local board may employ, in the manner provided by the civil service laws and civil service rules and regulations, the number of persons authorized by the State Director of Selective Service at rates of compensation not exceeding those fixed by the State Director of Selective Service. The local board shall not employ nor continue in employment any person related to any member of the board as close as or closer by blood or marriage than a first cousin. All persons employed by the local board must be citizens of the United States, loyal, of good character and habits, and have good records in previous employments. They must be able to meet the physical standards required by the United States Civil Service Commission for their respective positions. All clerical employees of every local board must possess the following minimum qualifications: Training equivalent to that represented by graduation from high school, at least 1 year's successful experience in clerical work, ability to type accurately, ability to handle the records and paper work involved in classifications, and mental alertness.

(d) Before any compensation is paid to any local board employee or before any local board employee's rate of compensation is changed, a report must be executed, in quintuplicate, by the local board on Report of Employment, Separation, or Status Change for Local Board Employee (Form 250) and shall be distributed as follows: The original and all four copies shall be forwarded to the State Director of Selective Service, who, if he approves the employment or change of status, will endorse his approval on the original and each of the four copies, forward the original and one copy to the manager of the appropriate civil service district, two copies to the local board, and retain one copy in his files; the local board shall attach one copy to the next pay roll affected and retain one copy in its files; the manager of the civil service district will forward the original to the Director of Selective Service.

(e) When the local board finds the employment of any clerk or other employee of the local board unnecessary or the rate of compensation excessive, it shall be the duty of the local board to discontinue such employment or to reduce such compensation.

(f) When the State Director of Selective Service or the Director of Selective Service finds the employment of any clerk or other employee of a local board

unnecessary or the rate of compensation excessive, it shall be his duty to order the discontinuance of such employment or the reduction of such compensation.

(g) The State Director of Selective Service or the Director of Selective Service, when he deems it to be in the best interest of the Selective Service System, may authorize the joint employment of an individual by two or more local boards.*

BOARD OF APPEAL EMPLOYEE

§ 604.31 *Appointment and tenure.* (a) Each board of appeal may have only one employee. The classification grade and salary rate of such employee shall be fixed by the State Director of Selective Service in accordance with instructions given and limitations imposed by the Director of Selective Service. Unless authorized by the Director of Selective Service, upon recommendation of the State Director of Selective Service, the person selected shall be employed on an intermittent or part-time basis for not more than 10 days or 70 hours in any one calendar month (*see* § 604.2) in a classification grade and at a salary rate not higher than that fixed by the State Director of Selective Service.

(b) Each board of appeal shall determine by a majority vote the individual to be employed, and the chairman of the board of appeal shall act as the appointing officer. Each board of appeal may designate by a majority vote the person employed as the clerk of the board of appeal.*

MEDICAL ADVISORY BOARD EMPLOYEE

§ 604.41 *Appointment and tenure.* If the State Director of Selective Service, in accordance with instructions given and limitations imposed by the Director of Selective Service, authorizes the chairman of a medical advisory board to do so, he may employ an office assistant on a per diem or hourly basis only, and such person shall not be employed for more than 10 days or 70 hours in any one calendar month, except upon specific authority of the Director of Selective Service pursuant to a recommendation of a State Director of Selective Service.*

STATE HEADQUARTERS EMPLOYEES

§ 604.51 *Appointment and tenure.* The Director of Selective Service shall determine the number and classification grades of compensated civilians to be employed by each State Headquarters for Selective Service. The State Director of Selective Service shall designate an appointing officer to employ individuals approved by him or pursuant to his direction to fill such positions.*

NATIONAL HEADQUARTERS EMPLOYEES

§ 604.61 *Appointment and tenure.* The Director of Selective Service shall determine the number and duties of compensated civilians to be employed by National Headquarters for Selective Service and shall designate an appointing officer to employ individuals approved by him or pursuant to his direction to fill such positions.*

PROCEDURE FOR EMPLOYMENT

§ 604.71 *Request for certificate of eligibles.* When a vacancy occurs in any compensated position, the appointing officer concerned shall, except in cases of employment under the provisions of § 604.2, address and forward through the State Director of Selective Service a request to the manager of the appropriate civil service district for the certification of qualified eligibles. The request shall contain all available information with reference to the position in which the vacancy exists and shall include the following:

(a) Pay-roll designation and salary.

(b) A brief description of the duties, such as stenographer and typist, file clerk, general clerk with ability to operate calculating machine, or a similar description. In addition to describing the duties, the classification grade should be indicated except in the case of local board employees.

(c) Sex—if there is any preference.

(d) Statement as to whether the position is permanent or is of a strictly temporary nature, such as 30 days, 60 days, or other limited period. If the position is permanent, the appointing officer in his request should ask that persons be certified for "probational appointment."*

§ 604.72 *United States civil service districts.* For the convenience of the appointing officer, the following table set forth the address of, and the territory served by, each district manager of the United States Civil Service Commission:

District	Headquarters	Territory served
First	Post Office and Courthouse Bldg., Boston, Mass.	Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut.
Second	Federal Bldg., Christopher St., New York, N. Y.	New York and New Jersey.
Third	Customhouse, 2d and Chestnut Sts., Philadelphia, Pa.	Pennsylvania and Delaware.
Fourth	McCrory Bldg., 820 7th St. NW., Washington, D. C.	Maryland, Virginia, West Virginia, North Carolina, and District of Columbia.
Fifth	New Post Office Bldg., Atlanta, Ga.	South Carolina, Georgia, Alabama, Florida, Mississippi, Tennessee, and Puerto Rico.
Sixth	Post Office and Courthouse Bldg. Cincinnati, Ohio.	Ohio, Indiana, and Kentucky.
Seventh	New Post Office Bldg., Chicago, Ill.	Wisconsin, Michigan, and Illinois.
Eighth	Post Office and Customhouse Bldg., St. Paul, Minn.	Minnesota, North Dakota, South Dakota, Nebraska, and Iowa.
Ninth	New Federal Bldg., St. Louis, Mo.	Kansas, Missouri, Oklahoma, and Arkansas.
Tenth	Customhouse Bldg., New Orleans, La.	Louisiana and Texas.
Eleventh	Post Office Bldg., Seattle, Wash.	Montana, Oregon, Idaho, Washington, and Territory of Alaska.
Twelfth	Federal Office Bldg., San Francisco, Calif.	California, Nevada, Arizona, and Territory of Hawaii.
Thirteenth	New Customhouse Bldg., Denver, Colo.	Colorado, New Mexico, Utah, and Wyoming.

Hawaii (subsidiary to Twelfth District).—Assistant Manager in Charge, Branch Office, Twelfth U. S. Civil Service District, Honolulu.

Puerto Rico (under supervision of Manager, 5th District, in so far as employment under United States Government is concerned).—Chairman, Puerto Rico Civil Service Commission, San Juan.

Canal Zone.—Secretary, Board of U. S. Civil Service Examiners, Balboa Heights.

Philippine Islands.—Commissioner, Bureau of Civil Service, Manila.

*

§ 604.73 *Selection.* (a) The appointing officer will receive from the manager of the appropriate civil service district a certificate of persons eligible for the position in which the vacancy exists, accompanied by the civil service examination papers of the persons certified. The individual or board having authority to fill the vacancy may select the person to be employed from the first three available persons on the list certified as eligible. The appointing officer, whenever possible, should arrange for an interview between each available person certified as eligible to fill the vacancy and the individual or board having authority to select the person to be employed.

(b) When the individual to be employed has been selected, the appointing officer shall indicate the person selected on the certificate of eligibles in accordance with instructions printed thereon.

(c) If any person listed as eligible on the certificate has declined an offer of employment, such declination should be attached to the certificate of eligibles.

(d) If the name of a person certified as eligible who has a veteran's preference is passed over, the appointing officer should attach to the certificate of eligibles a separate letter justifying such action.

(e) The appointing officer shall then return, without delay, through the State Director of Selective Service, to the manager of the appropriate civil service district the certificate of eligibles and the civil service examination papers.

(f) If it is not possible to make a selection from the list certified as eligible, the appointing officer should request the manager of the appropriate civil service district, through the State Director of Selective Service, to furnish another list of eligibles.*

§ 604.74 *Notice of appointment; placing on duty.* When a selection has been made from the certificate of eligibles and the report of the persons selected for employment has been forwarded to the manager of the appropriate civil service district, the appointing officer shall issue to the person selected for employment a letter of appointment and shall forward a duplicate thereof to the State Director of Selective Service. The letter

shall be in the following form and shall contain the information indicated:

(a) Name of appointee.

(b) Agency in which appointed and location, for example: State Headquarters for Selective Service, Richmond, Va.

(c) Pay-roll title of position, grade (except in the case of a local board employee), and salary.

(d) Effective date of entrance on duty.

(e) Statement as to whether appointment is temporary or probational.

The employee may then be immediately placed on duty.*

§ 604.75 *Forms to be completed for each person selected for appointment.* (a) Before entering upon his duties, each person selected for appointment to a position as a civilian employee in the Selective Service System shall execute the following forms:

(1) The Oath of Office portion of Form 21. (The Waiver of Pay or Compensation portion of Form 21 shall not be executed.)

(2) Personnel Affidavit (Standard Form No. 47).

(3) Application and Personal History Statement (Form 25).

(4) Declaration of Appointee (Civil Service Form 124–B), for each appointee selected from a civil service list of eligibles.

(5) Fingerprint Card (Civil Service Form 2390).

(6) Designation of Retirement Beneficiary (Civil Service Form 2806–1) and Retirement Card (Civil Service Form 3008), when the appointee is entitled to the benefits of the Civil Service Retirement Act of May 29, 1920, as amended.

(b) The manager of the appropriate civil service district will issue instructions for each person selected for probational appointment to report for physical examination to a medical officer designated by him. The appointee shall report to such medical officer and shall be examined. The medical officer will prepare a Certificate of Medical Examination (Civil Service Form 2413) and forward it to the appointing officer.

(c) A Job Classification Sheet (Form 83) is not required in connection with a local board appointee. In all other cases, the appointing officer shall prepare and sign a Job Classification Sheet (Form 83) for each appointee, which shall contain the following information: Pay-roll title and position; the classification grade; the salary; description of the duties and responsibilities of the position, listing in detail the major or more important tasks, the tasks of lesser frequency or importance, and the approximate percentage of time given to each task listed; the name of the appointee's immediate supervisor; and the number of individuals whose work is to be supervised by the appointee, if any, with the classification grades of such employees, if they are classified.

(d) The appointing officer shall forward to the State Director of Selective Service the following papers in connection with each appointment:

(1) Oath of Office portion of Form 21.

(2) Personnel Affidavit (Standard Form No. 47).

(3) Application and Personal History Statement (Form 25).

(4) Declaration of Appointee (Civil Service Form 124–B), for each appointee selected from a civil service list of eligibles.

(5) Fingerprint Card (Civil Service Form 2390).

(6) Designation of Retirement Beneficiary (Civil Service Form 2806–1) and Retirement Card (Civil Service Form 3008), when the appointee is entitled to the benefits of the Civil Service Retirement Act of May 29, 1920, as amended.

(7) Certificate of Medical Examination (Civil Service Form 2413) for each person selected for probational appointment.

(8) Job Classification Sheet (Form 83), except for local board appointee.

(9) Copy of civil service certificate of eligibles, or, if a copy is not available, a reference to the date and the number of the certificate and the civil service district issuing such certificate, or a copy of the district manager's letter authorizing an appointment where the person was not selected from a civil service certificate of eligibles.

(10) Copy of notice of appointment. (*See* § 604.74).

(e) The State Director of Selective Service shall file the Oath of Office portion of Form 21 and Personal Affidavit (Standard Form 47). He shall forward the Designation of Retirement Beneficiary (Civil Service Form 2806–1) and the Retirement Card (Civil Service Form 3008) direct to the United States Civil Service Commission, Washington, D. C., no transmittal letter being necessary. He shall forward, for review and confirmation or disapproval, the remaining papers to the Director of Selective Service, Washington, D. C.; all such papers to be forwarded through the manager of the appropriate civil service district, except those for appointments made under the provisions of Schedule A, section I, paragraph 6 of the civil service rules which shall be forwarded direct to the Director of Selective Service.*

LEWIS B. HERSHEY,
Director.

DECEMBER 18, 1941.

[F. R. Doc. 41-9821; Filed, December 30, 1941; 10:56 a. m.]

PART 605—GENERAL ADMINISTRATION

Effective February 1, 1942, the Selective Service Regulations are hereby amended by rearranging the order in which the paragraphs hereinafter listed will appear; by assigning new members to such rearranged paragraphs; by changing the context of those paragraphs hereinafter listed which are followed by the words "as amended"; and by publishing such rearranged, renumbered, and amended paragraphs as the sections of Part 605 of the Second Edition of the Selective Service Regulations:

Paragraph 149 as amended becomes § 605.11.
Paragraph 150 becomes § 605.12.
Paragraph 151 becomes § 605.13.
Paragraph 152 becomes § 605.14.
Paragraph 153 as amended becomes § 605.15.
Paragraph 154 as amended becomes § 605.21.
Paragraph 162 as amended becomes § 605.21.
Paragraph 163*a* as amended becomes § 605.51.
Paragraph 163*b* as amended becomes § 605.53.
Paragraph 163*c* as amended becomes § 605.52.
Paragraph 164 as amended becomes § 605.22.
Paragraph 165*a* as amended becomes § 605.31.
Paragraph 165*b* as amended becomes § 605.35.
Paragraph 165*c* as amended becomes § 605.36.
Paragraph 165*d* as amended becomes § 605.37.
Paragraph 165*e* as amended becomes § 605.38.
Paragraph 165*f* as amended becomes § 605.32.
Paragraph 165*g* becomes § 605.34.
Paragraph 165*h* becomes § 605.33.
Paragraph 165*i* as amended becomes § 605.39.
Paragraph 166 as amended becomes § 605.40.
Paragraph 167 as amended becomes § 605.41.
Paragraph 168 becomes § 605.23.
Paragraph 170 as amended becomes § 605.1.

PART 605—GENERAL ADMINISTRATION

GENERAL

COMMUNICATIONS

RECORDS IN GENERAL

CONFIDENTIAL RECORDS

SELECTIVE SERVICE FORMS

GENERAL

§ 605.1 *Administration of oaths generally.* (a) Unless a specified person is designated to administer an oath re-

quired under the provisions of these regulations, any civil officer authorized to administer oaths generally, any commissioned officer of the land or naval forces assigned for duty with the Selective Service System, any member or clerk of a local board or board of appeal, any government appeal agent or associate government appeal agent, any member or associate member of an advisory board for registrants, any postmaster, acting postmaster, or assistant postmaster may administer such oath.

(b) Whenever an oath is required, an affirmation in judicial form, if made by a person having conscientious scruples against the taking of oaths, shall be sufficient compliance.

(c) No fee or charge shall be made for the administration of oaths in the execution of the selective service law.*

*§§ 605.1 to 605.53, inclusive, issued under the authority contained in 54 Stat. 885; 50 U.S.C., Sup. 301-318, inclusive, E.O. No. 8545, 5 F.R. 3779.

COMMUNICATIONS

§ 605.11 *Channels of communications.* (a) Any person interested in any selective service matter should communicate with the local board. If the matter seems important, the local board may communicate it to State Headquarters for Selective Service, which in turn may take it up with the Director of Selective Service.

(b) All communications sent to the Director of Selective Service shall be addressed:

The Director of Selective Service
21st and C Streets NW.
Washington, D. C.

(c) Communications intended for State Headquarters for Selective Service shall be addressed as in the following example:

State Director of Selective Service
Montgomery, Alabama

*

§ 605.12 *Letters.* Communication should generally be by letter. Official letters in execution of the selective service law may be sent in official penalty envelopes, marked in the upper left-hand corner, "Selective Service—Official Business" and the name of the sending agency, and in the upper right-hand corner, "Penalty for private use to avoid payment of postage, $300." When printed envelopes furnished by the Director of Selective Service are not available, these inscriptions may be written, typed, or rubber stamped on a plain envelope.*

§ 605.13 *Telegrams, radiograms, and cablegrams.* Official telegrams, radiograms, and cablegrams may be used for official business when speed is essential. The probable hour when the addressee will actually receive such a message, as compared to the probable hour when he would receive an ordinary or air-mail letter, should be considered. Reasonable economy is necessary, and a more complete statement can usually be made in a letter.*

§ 605.14 *Long distance telephone.* Long distance telephone service may be used for official business at Government expense when absolutely essential. It is relatively very expensive and much more subject to faulty understanding between the parties than are written messages.*

§ 605.15 *Personal messages.* No personal inquiries or messages shall be sent by official envelope, telegram, radiogram, cablegram, or telephone. Messages regarding leave of absence, payment of salary or expense account and similar messages fall under this prohibition.*

RECORDS IN GENERAL

§ 605.21 *Records to be maintained.* (a) In addition to all other records required by these regulations to be kept by selective service agencies, each such agency shall keep a full set of Selective Service Regulations and such forms as pertain to its functions. All such agencies shall be required to keep up, day by day, amendments, memoranda, changes, and all other pertinent information published by the Director of Selective Service.

(b) Each selective service agency shall retain all correspondence received and a copy of all correspondence sent in its files until authorization for its disposition is received from the Director of Selective Service.*

§ 605.22 *Protection of records.* Selective service agencies shall take all possible care to keep records from being lost or destroyed. Under no circumstances shall a record be entrusted to any person not authorized to have it in his custody. When the person charged with the custody of a record transmits or delivers it to another, he shall place a notation showing the person or agency to which it is transmitted or delivered in his files in the place from which the record was withdrawn.*

§ 605.23 *Entries on records.* Selective service agencies shall make entries on records with typewriter, black ink, or rubber stamp. Red ink shall be used only as specifically directed.*

CONFIDENTIAL RECORDS

§ 605.31 *What records confidential.* Except as hereinafter in these regulations provided, the information in a registrant's file shall be confidential insofar as it relates to the following subjects:

(a) His earnings or income.
(b) His dependency status.
(c) His physical or mental condition.
(d) His court record.
(e) His previous military service.*

§ 605.32 *Information not confidential as to certain persons.* No information shall be confidential as to the persons designated in this section, and any information may be disclosed or furnished to or examined by such persons, namely:

(a) The registrant, or any person having written authority from the registrant.

(b) The members and clerical and stenographic employees of the local board, medical advisory board, or board of appeal, the examining physician or examining dentist, and the government appeal agent or associate government appeal agent, dealing with the registrant's case; proper representatives of the State Director of Selective Service or the Director of Selective Service; United States attorneys and their duly authorized representatives.

(c) Any other Federal official or employee, but only to the extent that such other Federal official or employee is specifically authorized in writing by the State Director of Selective Service or the Director of Selective Service.*

§ 605.33 *Waiver of confidential nature of information.* The making or filing of a claim or action for damages against the Government or any person, based on acts in the performance of which the record of a registrant or any part thereof was compiled, shall be a waiver of the confidential nature of information in all such records, and, in addition, all such records shall be produced and published in response to the subpena or summons of the tribunal in which such claim or action is pending.*

§ 605.34 *Subpena of records.* In the prosecution of a registrant or any other person for a violation of the Selective Training and Service Act of 1940 or any amendment thereof, the Selective Service Regulations, any orders or directions made pursuant to any of such acts or regulations, or for perjury, all records of the registrant shall be produced and published in response to the subpena or summons of the court in which such prosecution is pending.*

§ 605.35 *Dependency: When information not confidential.* (a) The fact that dependency has been claimed and the names and addresses of the claimed dependents shall not be confidential and may be disclosed or furnished.

(b) Information as to dependents or home conditions of a registrant shall be furnished to a representative of the American National Red Cross who has been authorized by the Army, Navy, or Marine Corps to investigate the registrant's request for separation from active service or discharge from the armed forces. For the purpose of such investigation, information so given shall not be considered confidential as to the investigator. The investigator shall not be permitted to examine the registrant's file, but any information contained therein relating to his dependents or home conditions will be furnished orally during a consultation with members of the local board or their authorized representative.*

§ 605.36 *Physical and mental condition: When information not confidential.* The information relating to physical or mental condition shall not be confidential under the circumstances and to the extent following:

(a) Such information may be disclosed or furnished by the examining physician, the examining dentist, or a member of the medical advisory board to the appropriate civil authorities where such persons are required by law to report diseases or defects noted therein.

(b) Such information may be disclosed or furnished to or examined by any person individually designated, or within a group described and designated, by the State Director of Selective Service or the Director of Selective Service as assisting in the selective service plan for correction of physical defects of certain registrants.*

§ 605.37 *Court record: When information not confidential.* Information concerning the court record of a registrant may be disclosed or furnished to or examined by peace officers of the United States and the several States and subdivisions thereof, judges and officers of courts of the United States and the several States and subdivisions thereof, and proper representatives of the armed forces. Information so given shall not be confidential as to such persons.*

§ 605.38 *Military service: When information not confidential.* Information relating to previous military service shall not be confidential as to proper representatives of the armed forces and may be disclosed or furnished to or examined by them.*

§ 605.39 *"Disclose," "furnish," and "examine" defined.* When used in this part, the following words with regard to the records of, or information as to, any registrant shall have the meaning ascribed to them as follows:

(a) "Disclose" shall mean a verbal or written statement concerning any such record or information.

(b) "Furnish" shall mean providing in substance or verbatim a copy of any such record or information.

(c) "Examine" shall mean a visual inspection and examination of any such record or information at the office of the local board or board of appeal as the case may be.*

§ 605.40 *Availability of information that is not confidential.* The clerk who is in charge of a record shall read or point out information in any portion thereof which is not confidential to any person who requests such information, if he can do so without interfering with his other duties. Except when otherwise specifically provided in these regulations or by written authority of the Director of Selective Service, no person shall be entitled to search or handle any record.*

§ 605.41 *Furnishing lists of registrants prohibited.* Lists of registrants shall not be furnished for any purpose except in the administration of the selective service law and then only when specifically authorized by the Director of Selective Service.*

SELECTIVE SERVICE FORMS

§ 605.51 *Forms made part of regulations.* All forms and revisions thereof referred to in these or any new or additional regulations, or in any amendment to these or such new or additional regulations, whether heretofore or hereafter adopted, and all forms and revisions thereof heretofore or hereafter prescribed by the Director of Selective Service shall be and become a part of these regulations in the same manner as if each form, each provision therein, and each revision thereof were set forth herein in full. Whenever in any form or the instructions printed thereon, whether heretofore or hereafter adopted or prescribed, any person shall be instructed or required to perform any act in connection therewith, such person is hereby charged with the duty of promptly and completely complying with such instruction or requirement.*

§ 605.52 *Forms supplied by State Headquarters for Selective Service.* Agencies of the Selective Service System requiring blank forms may obtain them from State Headquarters for Selective Service.*

§ 605.53 *Special forms must be authorized.* Whenever local conditions make necessary a form not included in the Selective Service Regulations, the agency concerned shall submit a copy of the proposed form, with a full statement of the necessity and proposed use, through State Headquarters for Selective Service to the Director of Selective Service. The form shall not be used until approved by the Director of Selective Service.*

LEWIS B. HERSHEY,
Director.

DECEMBER 18, 1941.

[F. R. Doc. 41-9822; Filed, December 30, 1941; 10:56 a. m.]

PART 606—FINANCE ADMINISTRATION

Effective February 1, 1942, the Selective Service Regulations are hereby amended by rearranging the order in which the paragraphs hereinafter listed will appear; by assigning new numbers to such rearranged paragraphs; by changing the context of those paragraphs hereinafter listed which are followed by the words "as amended"; and by publishing such rearranged, renumbered, and amended paragraphs as the sections of Part 606 of the Second Edition of the Selective Service Regulations:

Paragraph 122 as amended becomes § 606.4.
Paragraph 501 as amended becomes § 606.5.
Paragraph 502 as amended becomes § 606.5.
Paragraph 503 as amended becomes § 606.1.
Paragraph 504 as amended becomes § 606.3.
Paragraph 505 as amended becomes § 606.2.
Paragraph 506 as amended becomes § 606.4.
Paragraph 508 as amended becomes § 606.4.
Paragraph 509 as amended becomes § 606.6.
Paragraph 544 as amended becomes § 606.7.

PART 606—FINANCE ADMINISTRATION

Sec.
606.1 The Director of Selective Service may authorize expenditures.
606.2 Chief of Finance, United States Army, fiscal, disbursing, and accounting agent.
606.3 State Director of Selective Service may authorize certain expenditures.
606.4 State procurement officer's duties.
606.5 Limitation on obligations.
606.6 Report of Obligations (Form 260 and supplements).
606.7 Preparation and distribution of vouchers.

§ 606.1 *The Director of Selective Service may authorize expenditures.* The Director of Selective Service may authorize such lawful expenditures as he deems necessary in the administration of the selective service law.*

*§§ 606.1 to 606.7, inclusive, issued under the authority contained in 54 Stat. 885; 50 U.S.C., Sup., 301–318, inclusive, E.O. No. 8545, 5 F.R. 3779.

§ 606.2 *Chief of Finance, United States Army, fiscal, disbursing, and accounting agent.* The Chief of Finance, United States Army, is designated as the fiscal, disbursing, and accounting agent of the Director of Selective Service. Disbursement of funds for the Selective Service System shall be made by the Chief of Finance, upon properly certified vouchers, through designated finance officers.*

§ 606.3 *State Director of Selective Service may authorize certain expenditures.* The State Director of Selective Service may authorize such lawful expenditures within amounts allotted as he determines to be necessary for the operation and maintenance of the Selective Service System in his State, subject to the provisions of these regulations and to any limitation imposed by the Director of Selective Service.*

§ 606.4 *State procurement officer's duties.* The State procurement officer shall procure and account for supplies and equipment, contract on behalf of the Government, certify vouchers, and perform such other duties as are assigned to him by the State Director of Selective Service or the Director of Selective Service. We shall keep the State Director of Selective Service and the Director of Selective Service advised of the relationship of expenditures and allotments.*

§ 606.5 *Limitation on obligations.* Obligations may be incurred only for purposes authorized by law and in amounts not in excess of funds allotted.*

§ 606.6 *Report of Obligations (Form 260 and supplements).* Each person receiving an allotment of funds shall prepare, before the 10th of each month, a Report of Obligations (Form 260 and supplements) showing all funds obligated by him during the preceding month and shall distribute the original and copies of such forms in accordance with instructions thereon.*

§ 606.7 *Preparation and distribution of vouchers.* All vouchers shall be prepared on the typewriter in the manner provided in these regulations or in instructions on such voucher. Statistical Information (Form W.D., F.D. 28) shall be used as the first carbon copy of all vouchers. The statistical data on such carbon copy shall be an exact duplicate of the statistical data on the original

voucher. The first carbon copy, Statistical Information (Form W.D., F.D. 28), shall be immediately transmitted to the finance officer who is to make payment on the original voucher. The original voucher and the other carbon copies of the voucher shall be distributed in the manner directed by the instructions upon the original voucher.*

LEWIS B. HERSHEY,
Director.

DECEMBER 18, 1941.

[F. R. Doc. 41-9823; Filed, December 30, 1941; 10:56 a. m.]

PART 607—PAYMENT FOR PERSONAL SERVICES

Effective February 1, 1942, the Selective Service Regulations are hereby amended by rearranging the order in which the paragraphs hereinafter listed will appear; by assigning new numbers to such rearranged paragraphs; by changing the context of those paragraphs hereinafter listed which are followed by the words "as amended"; and by publishing such rearranged, renumbered, and amended paragraphs as the sections of Part 607 of the Second Edition of the Selective Service Regulations:

Paragraph 545 becomes § 607.1.
Paragraph 546 as amended becomes § 607.2.
Paragraph 546*g* as amended becomes § 607.4.
Paragraph 547 as amended becomes § 607.3.
Paragraph 548 as amended becomes § 607.5.

PART 607—PAYMENT FOR PERSONAL SERVICES

Sec.
607.1 Payment of entire personnel of board or headquarters upon same voucher.
607.2 Computation of time: Payment of employees.
607.3 Computation of time: Payment of per diem employees.
607.4 Change in pay status.
607.5 Voucher for personal services.

§ 607.1 *Payment of entire personnel of board or headquarters upon same voucher.* The entire personnel employed at any board or headquarters should be paid upon the same voucher for any service rendered during the period which the voucher covers.*

*§§ 607.1 to 607.5, inclusive, issued under the authority contained in 54 Stat. 885; 50 U.S.C., Sup. 301-318, inclusive, E.O. No. 8545, 5 F.R. 3779.

§ 607.2 *Computation of time: Payment of employees.* The following rules for the computation of time for payment of services at monthly or annual rates shall be observed:

(a) For any full calendar month's service, at a stipulated monthly rate of compensation, payment shall be made at such stipulated rate without regard to the number of days in that month.

(b) When service commences on an intermediate day of the month, 30 days shall be assumed as the length of the month, whatever the number of days therein.

(c) When the service terminates on an intermediate day of the month, the actual number of days during which service was rendered in that calendar month will be allowed.

(d) Services commencing in February will be calculated as though the month contained 30 days, thus: From February 21 to 28 (or 29), inclusive, 10 days. When the service commences on the 28th day of that month, 3 days will be allowed; and when on the 29th, 2 days.

(e) If service commences on the 31st day of any month, payment shall not be made for that day.*

§ 607.3 *Computation of time: Payment of per diem employees.* Per diem employees shall be paid for the actual number of days during which service was rendered. The daily equivalent of an annual salary rate is determined by dividing the annual salary rate by 360. The daily equivalent of a monthly salary rate is determined by dividing the monthly salary rate by 30.*

§ 607.4 *Change in pay status.* Change in pay status (except by employment or discharge) will be made only on the first day of any pay period, unless otherwise specifically authorized by the Director of Selective Service.*

§ 607.5 *Voucher for personal services.* (a) Personal-service pay rolls shall be prepared once each month. The Director of Selective Service, upon the recommendation of the State Director of Selective Service, may authorize the preparation of pay rolls twice each month, covering the period of the 1st to the 15th, inclusive, and the 16th to the last day of the month, inclusive.

(b) Pay Roll for Personal Services (Form 255) and the memorandum copy thereof (Form 255a) shall be used for the payment of civilians employed in the administration of the selective service law.

(c) The finance officer shall be furnished the Pay Roll for Personal Services (Form 255), together with a memorandum copy thereof (Form 255a), and a copy thereof on Statistical Information (Form WD, FD 28) completed in accordance with the instructions printed thereon and in the following manner:

(1) On the face of the pay-roll voucher, in the places provided at the top, shall be entered the official designation and the location of the board or headquarters of the personnel to be paid by such voucher and the period of time which the voucher covers.

(2) On the face of the pay-roll voucher, the certificate shall be completed so as to show:

(i) In the case of a local board, the date upon which the State Director of Selective Service, under the provisions of § 604.21, fixed the number and rate of compensation of its employees.

(ii) In the case of a board of appeal, the date upon which the State Director of Selective Service, under the provisions of § 604.31, fixed the classification grade and salary rate of its employee.

(iii) In the case of a medical advisory board, the date upon which the State Director of Selective Service, under the provisions of § 604.41, authorized the employment of its employee.

(iv) In the case of a State Headquarters for Selective Service, the date upon which the Director of Selective Service, under the provisions of § 604.51, fixed the number and classification grades of its employees.

(v) In the case of National Headquarters for Selective Service, the date upon which the Director of Selective Service, under the provisions of § 604.61, fixed the number and duties of its employees.

(3) In the column headed "Name" on the back of the pay-roll voucher shall be entered the name of each civilian employee who has performed services for which compensation is claimed for the board or headquarters during the period of time which the pay-roll voucher covers. The name shall be entered, for example, Doe, John K.

(4) In the column headed "Designation" will be shown the person's official designation, such as "Stenographer" or "Clerk."

(5) In the column headed "Rate of Compensation" shall be entered the base amount for which compensation is claimed.

(6) In the column headed "Unit of Employment" shall be entered the basis upon which compensation is claimed, i. e., hourly, daily, monthly, or annually.

(7) In the column headed "Total Units Employed" shall be entered the total number of hours, days, or months covered by the pay period.

(8) In the column headed "Gross Amount Earned" shall be entered the total amount that is obtained by multiplying the total number of units served by the rate of compensation.

(9) In the subcolumn headed "Retirement" shall be entered the amount deducted from the employee's gross amount earned for credit to his retirement account under the provisions of the Civil Service Retirement Act of May 29, 1920, as amended.

(10) The subcolumn headed "Other" shall be used for deductions for unauthorized absences or deductions made for lost or damaged Government property.

(11) In the column headed "Net Amount Paid" shall be entered an amount equal to the gross amount earned less all deductions entered in the subcolumns headed "Retirement" and "Other."

(12) The column headed "Signatures for Cash and Notations for Check Payments" shall be filled in by the disbursing officer who pays the voucher.

(13) In the column headed "Remarks" shall be explained any and all deductions made, any facts that may affect the compensation status, the date of appointment, the authority for the appointment, any other information in regard to an appointment, date of entry upon duty, transfer, promotions, demotions,

separations, and any other changes that affect the compensation status.

(d) The original of the Pay Roll for Personal Services (Form 255) for a local board, a board of appeal, or a medical advisory board shall be certified by the chairman of the board, or by a member of the board designated in a resolution regularly adopted by the board as the certifying officer for such purpose, and shall be approved by the State procurement officer.

(e) The original of pay-roll vouchers for a State Headquarters for Selective Service shall be certified to and approved by the State Director of Selective Service or the State procurement officer.

(f) When a local board employee is appointed, separated, or his status is changed, there shall be attached to the first pay roll affected a signed copy of the Certificate of Appointment, Separation, or Change of Status for Local Board Employee (Form 250).

(g) The State procurement officer shall forward all properly prepared and executed personal-service pay rolls to the designated finance officer for payment.*

LEWIS B. HERSHEY,
Director.

DECEMBER 18, 1941.

[F. R. Doc. 41-9824; Filed, December 30, 1941; 10:57 a. m.]

PART 608—EXPENDITURES OTHER THAN FOR PERSONAL SERVICES

Effective February 1, 1942, the Selective Service Regulations are hereby amended by rearranging the order in which the paragraphs hereinafter listed will appear; by assigning new numbers to such rearranged paragraphs; by changing the context of those paragraphs hereinafter listed which are followed by the words "as amended"; and by publishing such rearranged, renumbered, and amended paragraphs as the sections of Part 608 of the Second Edition of the Selective Service Regulations:

Paragraph	151*b*	as amended	becomes	§ 608.22.
Paragraph	515	as amended	becomes	§ 608.43.
Paragraph	520	as amended	becomes	§ 608.11.
Paragraph	521	as amended	becomes	§ 608.21.
Paragraph	522	as amended	becomes	§ 608.22.
Paragraph	523	as amended	becomes	§ 608.1.
Paragraph	524	as amended	becomes	§ 608.2.
Paragraph	525	as amended	becomes	§ 608.4.
Paragraph	526	as amended	becomes	§ 608.5.
Paragraph	527	as amended	becomes	§ 608.6.
Paragraph	528*a*	as amended	becomes	§ 608.2.
Paragraph	528*b*	as amended	becomes	§ 608.1.
Paragraph	528*c*	as amended	becomes	§ 608.2.
Paragraph	529	as amended	becomes	§ 608.3.
Paragraph	530*a*	as amended	becomes	§ 608.41.
Paragraph	530*b*	as amended	becomes	§ 608.41.
Paragraph	530*c*	as amended	becomes	§ 608.43.
Paragraph	530*d*	as amended	becomes	§ 608.43.
Paragraph	530*e*	as amended	becomes	§ 608.46.
Paragraph	531	as amended	becomes	§ 608.42.
Paragraph	532	as amended	becomes	§608.45.
Paragraph	533	as amended	becomes	§ 608.44.
Paragraph	549	as amended	becomes	§ 608.31.
Paragraph	550	as amended	becomes	§ 608.23.
Paragraph	551	as amended	becomes	§ 608.46.

PART 608—EXPENDITURES OTHER THAN FOR PERSONAL SERVICES

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PROPERTY, EQUIPMENT, AND SUPPLIES

§ 608.1 *Purchase.* (a) The State procurement officer, upon receiving proper authorization from the Director of Selective Service through the Chief of Finance, United States Army, shall procure or authorize the procuring of the necessary property, equipment, and supplies for the various boards and for State Headquarters for Selective Service within the limitation of the funds provided.

(b) When it is impracticable for the State procurement officer to make a purchase in compliance with the request of the chairman of a local board or board of appeal, he may authorize the chairman to make the purchase.

(c) When practicable, purchases should be made from the General Schedule of Supplies, prepared under the direction of the Secretary of the Treasury.

(d) No contract shall be negotiated or entered into for the procurement of supplies or services from any firm or company with which any person authorizing or making the purchase is in any way connected as a member, officer, agent, or employee.

(e) Purchase of supplies and equipment procured, mined, or manufactured outside the United States is prohibited by law.

(f) The selective service law permits the Selective Service System to obtain by loan or gift such equipment and supplies as may be needed. Such loans or gifts should be encouraged, but persons making such loans should be reminded that the Government is not responsible for the care or safekeeping of such articles.*

*§§ 608.1 to 608.46, inclusive, issued under the authority contained in 54 Stat. 885; 50 U.S.C. Sup., 301-318, inclusive; E.O. No. 8545, 5 F.R. 3779.

§ 608.2 *Requisitions.* (a) The State Director of Selective Service or the chairman of a local board or board of appeal shall use the Requisition for Supplies (Form 259) when requesting the State procurement officer to furnish property, equipment, or supplies.

(b) The chairman of each local board is authorized to request the State procurement officer to furnish such supplies as may be required by the examining physician or examining dentist of such board.*

§ 608.3 *Medical advisory board examinations or tests.* The chairman of a medical advisory board shall authorize such special examinations or laboratory tests as he may deem necessary and shall cause to be forwarded to the State procurement officer for payment the bill for such examinations and tests, after affixing his approval. The bill or statement shall contain the following certificate by the person or laboratory rendering such services:

I certify that the above bill is correct and just; that payment therefor has not been received; that all statutory requirements as to American production and labor standards and all conditions of purchase applicable to the transactions have been complied with; and that State or local sales taxes are not included in the amount billed.

*

§ 608.4 *Purchase Order.* A Purchase Order (Form 258) shall be prepared, in quadruplicate, by the officer authorizing the purchase and shall be distributed as follows: Original to vendor, two copies to be attached to the voucher forwarded to the finance officer, and the remaining copy to be retained by the officer making the purchase.*

§ 608.5 *Bills and invoices.* (a) All bills and invoices of whatever nature shall be prepared in duplicate and sent to the State procurement officer by the vendor.

(b) In order to expedite payment, the officer making the purchase should notify the vendor at the time of the purchase to submit invoices in duplicate, only the original of which shall be signed, to the State procurement officer. The original only of such invoices shall bear the following certificate, duly signed:

I certify that the above bill is correct and just; that payment therefor has not been received; that all statutory requirements as to American production and labor standards and all conditions of purchase applicable to

the transactions have been complied with; and that State or local sales taxes are not included in the amount billed.

*

§ 608.6 *Receiving Report.* (a) Upon receipt of the property, equipment, or supplies ordered, a Receiving Report (Form 264) shall be prepared, in quadruplicate, by the officer responsible for property and shall be distributed as follows: One copy to be retained by the officer responsible for property, the original and two copies to be transmitted to the State procurement officer who, after completing the form and making proper notation for record purposes, will attach the original and one copy to the voucher forwarded to the finance officer.

(b) Receiving officers shall forward the Receiving Reports (Form 264) promptly, in order that advantage may be taken of any discount offered by the vendor.*

LEASES

§ 608.11 *Lease of offices.* (a) When practicable, the offices of local boards, boards of appeal, and State Headquarters for Selective Service shall be located in public buildings.

(b) Existing regulations governing the leasing of space require that such leases shall be submitted to the Public Buildings Administration for clearance in advance of the execution of the lease. This requirement has been temporarily waived so that the local boards and others concerned with the administration of the selective service law need not be delayed in the rental of quarters.

(c) When space in public buildings is not available, an office shall be rented. Before leasing an office, competition must be secured from three or more sources in order to obtain the lowest rental possible for suitable space. The result of this competition shall be shown on the Statement and Certificate of Award (Standard Form 1036) which shall be attached to the lease.

(d) "SEC. 322. Hereafter no appropriation shall be obligated or expended for the rent of any building or part of a building to be occupied for Government purposes at a rental in excess of the per annum rate of 15 per centum of the fair market value of the rented premises at date of the lease under which the premises are to be occupied by the Government nor for alterations, improvements, and repairs of the rented premises in excess of 25 per centum of the amount of the rent for the first year of the rental term, or for the rental term if less than one year; * * *." (Economy Act of June 30, 1932, 47 Stat. 412) ": *Provided, further,* That the provisions of this section as applicable to rentals, shall apply only where the rental to be paid shall exceed $2,000 per annum." (Economy Act of March 3, 1933, 47 Stat. 1517) In the case of rent-free premises, the recommendation of the State Director of Selective Service for alterations, improvements, or repairs of the premises shall be accompanied by an estimate of the fair rental value of the premises, exclusive of any and all facilities, for the first year of occupancy or for the period of occupancy less than one year, and the fair rental value as thus fixed shall be adopted as a basis for computation in determining limitations upon expenditures for alterations, improvements, and repairs. Subject to the limitation specified in this subsection, the State Director of Selective Service may authorize alterations, improvements, and repairs to local and appeal board offices and to State Headquarters for Selective Service in an amount not to exceed $50 in the aggregate for any one office. No alterations, improvements, or repairs to any one office in excess of said $50 aggregate may be made without the prior approval of the Director of Selective Service, upon the recommendation of the State Director of Selective Service.

(e) Where leases involve an annual rental rate of $2,000 or more, a Statement of Fair Market Value (Form 270), with necessary supporting papers, shall be attached to the lease.

(f) Subject to the above, the State procurement officer is authorized to lease offices for local and appeal boards and for State Headquarters for Selective Service. Each lease shall be executed in behalf of the Government of the United States, on Lease (Standard Form No. 2) for a period not to exceed one year, with the privilege of renewal. The lease should include, if practicable, heat, light, water, and janitor service. The lease shall contain a provision for cancelation upon 30 days' notice in writing by either the lessor or the Government.

(g) When other than the owner of the property executes the lease, adequate evidence of the agent's or representative's authority to sign the lease shall be obtained and shall be attached to the lease.

(h) Each lease executed by the State procurement officer and by the lessor on Lease (Standard Form No. 2) shall be in quintuplicate, all copies of which shall be signed by the contracting parties. The State procurement officer, after making proper notations for record purposes, shall send the original, properly numbered, to the General Accounting Office, Washington, D. C., one copy each to the lessor and the chairman of the board or State Director of Selective Service, and two copies to the finance officer designated to make payments.

(i) When a lease has been executed, it will be reported on a Request for Approval of Lease (P–SC Form No. 6) in quadruplicate. The original and one copy shall be mailed to the Commissioner of Public Buildings, Federal Works Agency, Washington, D. C., one copy shall be mailed to the Director of Selective Service, and one copy retained by the person making the report.

(j) Rental bills for fractional parts of a month shall be computed on the basis of the actual number of days of the month.*

TELEPHONE AND TELEGRAPH

§ 608.21 *Telephone: Authorization.* (a) A telephone may be installed in the office of a local board or board of appeal when requested by the chairman or in State Headquarters for Selective Service. Telephones shall be used for official business only.

(b) Contracts for telephone installation shall be executed by the State procurement officer on the Contract for Telephone Service (Standard Form No. 40) in quintuplicate. All copies of the contracts shall be signed by the contracting parties. The original, properly numbered, shall be sent to the General Accounting Office, Washington, D. C., one copy each to the telephone company and chairman of the board or the State Director of Selective Service, and two copies to the finance officer designated to make payment.*

§ 608.22 *Certification of bills.* (a) Telephone and telegraph bills shall contain the following certificate signed by the chairman of the board:

I certify that the above account is correct and that the service was rendered for prompt transaction of official business.

(b) The chairman of the board should notify the telephone and telegraph companies that their bills must contain the following certificate:

I certify that the above bill is correct and just; that payment therefor has not been received; that all statutory requirements as to American production and labor standards and all conditions of purchase applicable to the transactions have been complied with; and that State or local sales taxes are not included in the amount billed.

(c) With reference to long-distance telephone tolls, attention is called to the following statutory provision: "* * * hereafter no part of this or any other appropriation for any executive department, establishment, or agency shall be used for the payment of long-distance telephone tolls except for the transaction of public business which the interests of the Government require to be so transacted; and all such payments shall be supported by a certificate by the head of the department, establishment, or agency concerned, or such subordinates as he may specially designate, to the effect that the use of the telephone in such instances was necessary in the interest of the Government." (Sec. 4, act May 10, 1939, 53 Stat. 738; 31 U.S.C. 680 (a))

(d) In compliance with subsection (c) above, a certificate shall be required to support payments of official long-distance telephone tolls. The certificate shall be executed only by such officers as may be appointed and designated by the Director of Selective Service as certifying officers for such purposes. For uniformity in such certifications, the following is prescribed for each public voucher and for each travel or station-

expense reimbursement voucher that includes toll charges for official long-distance telephone calls:

Pursuant to section 4 of the act approved May 10, 1939, 53 Stat. 738, I certify that the use of the telephone for the official long-distance calls listed herein was necessary in the interest of the Government.

(e) The Director of Selective Service shall furnish the General Accounting Office with a certified copy of each order of appointment of such certifying officers.

(f) Interzone messages can ordinarily be made by calling the same telephone operators who serve the metropolitan area, while special operators must be utilized for long-distance calls beyond the established telephone zones. Interzone messages need not be classed as long-distance toll messages with respect to the requirements as to special certification to telephone invoices. Local and interzone charges need not be specially certified.

(g) Telegrams, cablegrams and radiograms on official business shall be endorsed "Selective Service System—Official Business—Government rate" and shall indicate the class of message (telegram, day message, day letter, night message, night letter). On the face of the message the sender shall make this certificate:

I certify that this message is on official business necessary for the public service in the administration of the selective service law.

(Signature)

(Official title)

(h) Designated finance officers shall pay vouchers covering charges for telegrams, cablegrams, radiograms, and telephone calls properly certified to them by the State procurement officer.*

§ 608.23 *Public voucher for telephone and telegraph service.* The Public Voucher for Purchases and Services Other Than Personal (Standard Form No. 1034) shall be used for the vouchering of all claims against the Government covering telephone and telegraph services. This form shall be prepared by the State procurement officer in the manner prescribed in § 608.31. In addition to these instructions, the State procurement officer shall certify to the following:

The services to be obtained by this instrument are authorized by, are for the purposes set forth in, and are chargeable to Procurement Authority _____, the available balance of which is sufficient to cover cost of same.

*

VOUCHERING EXPENDITURES OTHER THAN PERSONAL OR TRAVEL

§ 608.31 *Preparation of vouchers for purchases and services other than personal.* The Public Voucher for Purchases and Services Other Than Personal (Standard Form 1034) shall be used for the vouchering of all claims against the Government involving expenditures for purchases and leases and for all services other than personal and travel. This form shall be prepared by the State procurement officer in the manner herein prescribed:

(a) In the proper places on the form shall be entered a description of each article purchased or the services rendered, with the date of purchase or of rendering of service, and the amount claimed for each. When a payee submits for payment an invoice or bill which has been properly certified, such invoice or bill may be accepted if it constitutes a valid claim against the Government. The invoice is to be fastened securely to the voucher, and in such cases it shall not be necessary to state the invoice or bill in detail or secure the payee's signature on the voucher. The voucher otherwise shall be completed in due form. In cases where the payee does submit a properly certified invoice, it should be described on the voucher sufficiently to identify it and the amount or amounts carried to the "Amount" column. More than one invoice or bill of the same payee may be attached to and paid on a single voucher, provided the transactions are under the same agreement and are furnished under the same conditions as to method or absence of advertising.

(b) In the blocks headed "Accounting Classification," the appropriation symbol, appropriation title, procurement authority, and purpose numbers shall be shown.

(c) The memorandum voucher (Standard Form 1034a) shall be prepared so as to be a duplicate of the original, except that there shall be no signature. It is recommended that a typewriter be used and carbon paper inserted between the original and memorandum. If a typewriter is not used, the original and memorandum shall be made out in ink.

(d) When there is not sufficient space on Standard Form 1034 for completely itemizing the payee's bill or invoice, the itemizing shall be begun on the Continuation Sheet (Standard Form 1035) with Standard Form 1035a as the memorandum. When more than one sheet is thus used, all sheets shall be securely fastened together, the certificate sheet (Standard Form 1034) being the final sheet, and the totals of each sheet carried forward to, or summarized upon, the final sheet (Standard Form 1034).

(e) The State procurement officer shall place his signature and title in the space provided in the certificate printed on the voucher.

(f) The voucher shall further be supported by two copies of the Purchase Order (Form 258) (§ 608.4) and two copies of the Receiving Report (Form 264) (§ 608.6).

(g) The voucher, when properly prepared and supported by the required documents shall then be promptly forwarded to the finance officer designated to make payment.

(h) Statistical data shall be furnished to the Chief of Finance on Statistical Information (Form W.D., F.D. 28).*

TRAVEL AND SUBSISTENCE

§ 608.41 *Travel: Authorization.* (a) To the extent provided by appropriation made therefor, the following may authorize travel at Government expense in the execution of the selective service law:

(1) The Director of Selective Service, the Deputy Directors of Selective Service, or any other official designated by any one of them.

(2) The Governor of a State or the State Director of Selective Service, for the travel of the personnel of the Selective Service System of his State, provided such travel shall be confined to the territorial limits of the corps area or naval district in which his State is located, unless travel beyond the territorial limits of the corps area or the naval district is authorized or approved by the Director of Selective Service.

(b) A Travel Order (Form 251) shall be used to authorize all official travel. All Travel Orders (Form 251) shall be numbered serially, beginning with the number 1 as of the first of each fiscal year.*

§ 608.42 *Travel and subsistence expenses.* Except as provided in section 608.43 of these regulations or provided for by law, the amount of travel and subsistence expense or the per diem allowance is fixed in Standardized Government Travel Regulations.*

§ 608.43 *Special provisions concerning travel and subsistence expenses.* (a) The travel of a person serving without compensation in the administration of the selective service law shall be specifically authorized, and such person so authorized may be reimbursed in accordance with Standardized Government Travel Regulations for transportation and traveling expenses incurred while traveling on official business, including travel from home to the office of the board to which such person is assigned and return. No reimbursement shall be made for travel occurring wholly within the limits of the municipal corporation in which a person resides or for more than one trip and return in any one day between two given points.

(b) A per diem allowance not to exceed $5 in lieu of subsistence expenses may be authorized while traveling on official business within the limits of the continental United States. The rates of the per diem in lieu of actual expenses for subsistence authorized by law and regulations represent the maximum allowable and not the minimum. It is the responsibility of the issuing official to authorize only such per diem rates as are justified by the nature of the travel. Care should be exercised to prevent the fixing of a per diem rate in excess of that required to meet the necessary authorized expenses.

(c) Members of the land or naval forces who are on active duty in the service of the United States and assigned to duty with the Selective Service System, when properly authorized to travel, shall be paid from Selective Service System funds at rates authorized by law for the travel of such members of the land or naval forces.*

§ 608.44 *Government Requests for Transportation (Standard Form 1030): Use and preparation.* (a) Government Requests for Transportation (Standard Form 1030) may be issued for both land and water transportation, including ocean travel, and for sleeping-car service. Books of such requests shall be supplied by the Director of Selective Service to the State Director of Selective Service, who in turn shall supply local boards with such books of requests as are necessary. Such requests shall be issued by local boards or by any duly authorized representative of the State Director of Selective Service or Director of Selective Service as follows:

(1) When it is necessary to transport selected registrants from local boards to induction stations.

(2) When it is necessary to transport a registrant from the office of a local board to the office of a medical advisory board and return.

(3) When it is necessary to transport a registrant from the office of a local board to an examining board of the armed forces and return.

(4) When it is necessary to transport a registrant in order to carry out the instructions issued by the Director of Selective Service for remedying the defects of such registrant.

(5) Whenever practicable, when travel is performed by officers or employees incident to the provisions of the selective service law.

(b) In the preparation of Government Requests for Transportation (Standard Form 1030), the typewriter shall be used when practicable; otherwise, ink or indelible pencil. The use of ordinary lead pencil is prohibited.

(c) The issuing official shall enter the estimated cost of transportation on the memorandum copy (Form 1031).

(d) The memorandum copies (Form 1031) of all Government Requests for Transportation (Standard Form 1030) shall be detached and mailed under the same cover, at the close of the day on which issued, directly to the Finance Officer, United States Army, Transportation Division, Washington, D. C.

(e) No alteration shall be made above the signature of the issuing officer on Government Requests for Transportation (Standard Form 1030). In case of errors requiring erasures, the request shall be canceled and a new request issued. If an explanation is required, it shall be made on the back of the request.

(f) If a request is canceled before the memorandum copy has been forwarded to the Finance Officer, the canceled request and memorandum copy shall be forwarded to the Director of Selective Service. If cancelation occurs after the memorandum copy has been forwarded to the Finance Officer, the canceled request shall be promptly sent to the Finance Officer, United States Army, Transportation Division, Washington, D. C.

(g) Great care must be exercised in safeguarding Government Requests for Transportation (Standard Form 1030). When such requests are lost or stolen, the person to whom the book was issued or the traveler shall immediately notify the Director of Selective Service and local ticket agents, giving the serial numbers of such requests. The Director of Selective Service shall immediately pass this information on to the Finance Officer, United States Army, Transportation Division, Washington, D. C.

(h) If a lost or stolen request is later recovered, it shall not be used but shall be canceled and forwarded to the Director of Selective Service.

(i) When all of the Government Requests for Transportation (Standard Form 1030) in a book have been issued or canceled, the book, with the tabulation sheet (Form 1029), shall be forwarded to the State Director of Selective Service who, after crediting the local board, shall forward it to the Director of Selective Service.*

§ 608.45 *Government request for meals or lodgings for civilian registrants (Form 256).* (a) Meal and Lodging Ticket Books containing Government Requests for Meals or Lodgings for Civilian Registrants (Form 256) shall be supplied by the Director of Selective Service to the State Director of Selective Service, who in turn shall supply local boards with such books as are necessary. Government Requests for Meals or Lodgings for Civilian Registrants (Form 256) shall be issued by local boards or by any duly authorized representative of the State Director of Selective Service or the Director of Selective Service to provide necessary meals or lodgings, at customary hours, for registrants ordered to report to medical advisory boards, to examining boards of the armed forces, to induction stations, or when necessary in accordance with instructions issued by the Director of Selective Service in remedying the defects of a registrant. One request may be used to provide meals or lodgings for a group of registrants.

(b) For a registrant ordered to report to a medical advisory board or to an examining board of the armed forces, meals or lodgings shall be provided for the time spent in travel from the local board to the medical advisory board and return, or to the examining board of the armed forces and return, and for the 3 days or less that a registrant may be before a medical advisory board or an examining board of the armed forces.

(c) For a registrant ordered to report to an induction station, meals or lodgings shall be provided from the time the registrant reports at the local board to the time he is scheduled to arrive at the induction station.

(d) For a registrant cooperating in remedying his defects, meals or lodgings may be provided from the time he leaves until he returns to his home, except for such time as he may be in a hospital or other institution and receiving meals and lodgings as a patient of such institution.

(e) The value of such meals or lodgings shall not exceed the following amounts:

Breakfast	$0.50
Lunch	.50
Dinner	.75
Lodging, per day	1.50

(f) When a Government Request for Meals or Lodgings for Civilian Registrants (Form 256) is issued to a registrant, the memorandum copy shall be completed and forwarded to the State Director of Selective Service. The stub, with the pertinent information thereon, shall be retained in the book.

(g) No erasures or alterations of any kind shall be made. If an error is detected or a request is erroneously made out, the original and memorandum copies shall be marked "Canceled" and returned to the State Director of Selective Service, who in turn shall forward both to the Director of Selective Service.

(h) When all requests in a book have been used, the book shall be forwarded to the State Director of Selective Service, who, after crediting the local board, shall forward the book to the Director of Selective Service.

(i) Government Request for Meals or Lodgings for Civilian Registrants (Form 256) are in the nature of checks, and care should be taken that neither the Meal and Lodging Ticket Books nor the individual requests fall into the hands of unauthorized persons. Books shall be receipted for and accounted for separately from other supplies.*

§ 608.46 *Voucher for reimbursement of expenses incident to official travel.* (a) The Voucher for Per Diem and/or Reimbursement of Expenses Incident to Official Travel (Standard Form 1012) shall be used for the purpose of vouchering expenses incurred incident to official travel by officers or employees of the Selective Service System when traveling under competent orders on official business.

(b) The Voucher for Per Diem and/or Reimbursement of Expenses Incident to Official Travel (Standard Form 1012) shall be prepared upon completion of the authorized travel or at the end of any month if the officer or employee is still in travel status. The original and duplicate Travel Order (Form 251) shall accompany it. Instructions for its preparation are contained in the "Standardized Government Travel Regulations." The voucher is submitted to the State procurement officer.

(c) Oaths subscribed on Voucher for Per Diem and/or Reimbursement of Expenses Incident to Official Travel

(Standard Form 1012) may be administered by any person authorized by these regulations to administer oaths.*

LEWIS B. HERSHEY,
Director.

DECEMBER 18, 1941.

[F. R. Doc. 41-9825; Filed, December 30, 1941; 10:57 a. m.]

PART 609—PROPERTY ACCOUNTABILITY

Effective February 1, 1942, the Selective Service Regulations are hereby amended by rearranging the order in which the paragraphs hereinafter listed will appear; by assigning new numbers to such rearranged paragraphs; by changing the context of those paragraphs hereinafter listed which are followed by the words "as amended"; and by publishing such rearranged, renumbered, and amended paragraphs as the sections of Part 609 of the Second Edition of the Selective Service Regulations:

Paragraph 534 as amended becomes § 609.1.
Paragraph 536 as amended becomes § 609.2.
Paragraph 537 as amended becomes § 609.3.
Paragraph 538 as amended becomes § 609.4.
Paragraph 539 as amended becomes § 609.5.
Paragraph 540 as amended becomes § 609.6.
Paragraph 541 as amended becomes § 609.5.
Paragraph 541 as amended becomes § 609.6.
Paragraph 542 becomes § 609.7.

PART 609—PROPERTY ACCOUNTABILITY

Sec.

§ 609.1 *Property of the United States.* All equipment and supplies of whatever character acquired by purchase with Government funds, transfer from some other Federal agency, or donation, as specifically authorized in the Selective Training and Service Act of 1940, are the property of the United States and must be accounted for. Such property shall be used solely for the transaction of Government business.*

*§§ 609.1 to 609.7, inclusive, issued under the authority contained in 54 Stat. 885; 50 U.S.C., Sup., 301-318, inclusive, E.O. No. 8545, 5 F.R. 3779.

§ 609.2 *Government property: Responsibility and accountability for.* (a) The chairman of each local board, board of appeal, or medical advisory board, or, where designated by the board to act in place of the chairman for this specific purpose, the member or the clerk so designated shall be responsible to the State procurement officer for the nonexpendable property of the United States in the possession of the board. The State Director of Selective Service shall designate a person to be responsible to the State procurement officer for nonexpendable property of the United States in the possession of State Headquarters for Selective Service.

(b) The State procurement officer shall be accountable to the Director of Selective Service for all United States Government nonexpendable property purchased by, or issued, transferred, or donated to, the Selective Service System within his State and shall be required to keep accurate records of such property.*

§ 609.3 *Semiannual report required.* (a) On the last day of June and December of each year every official of the Selective Service System within a State who is responsible for United States Government property shall render an inventory report to the State procurement officer on the Nonexpendable Property Inventory (Form 16). The inventory report shall show all articles of nonexpendable property owned by the United States and in the possession of the board or State Headquarters for Selective Service on the last day of each semiannual period.

(b) As of the last day of June and December of each year, every State procurement officer who is accountable for United States Government property shall render a consolidated report to the Director of Selective Service on the Consolidated Nonexpendable Property Report (Form 17). This report shall show all articles of nonexpendable property owned by the United States and in the possession of the Selective Service System within his State as of the last day of each semiannual period and shall be submitted not later than the 15th day of the month immediately following.

(c) The Nonexpendable Property Continuation Sheet (Form 18) shall be used in conjunction with the Nonexpendable Property Inventory (Form 16) and the Consolidated Nonexpendable Property Report (Form 17) if additional space is required.*

§ 609.4 *Transfer of responsibility and accountability: Procedure.* (a) Whenever any responsible officer is relieved from office for any cause, he shall transfer his responsibility for all nonexpendable property to the person designated under the provisions of § 609.2 to succeed him as the responsible officer. The transfer shall be accomplished by the preparation, in triplicate, of the Nonexpendable Property Inventory (Form 16), which shall list all articles of nonexpendable property in the possession of the board or State Headquarters for Selective Service at the time of the transfer. The incoming officer shall accept responsibility for the property listed by signing each copy of the form and having his signature witnessed by the outgoing officer. The original shall be forwarded to the State procurement officer, one copy shall be placed in the files of the board or State Headquarters for Selective Service, and the other copy shall be retained by the outgoing officer.

(b) Whenever any accountable officer is relieved from office for any cause, he shall transfer to his successor accountability for all nonexpendable property within his State. The transfer shall be accomplished by the preparation, in duplicate, of the Consolidated Nonexpendable Property Report (Form 17), which shall list all articles of nonexpendable property in the possession of the Selective Service System within his State at the time of the transfer. The incoming officer shall accept accountability for the property listed therein by signing both copies of the form and having his signature witnessed by the outgoing officer. The original shall be filed in the State Headquarters for Selective Service, and the copy shall be retained by the outgoing officer.

(c) Upon receipt of the original of the Nonexpendable Property Inventory (Form 16) by the State procurement officer, the nonexpendable property listed therein shall be checked with the property account of the outgoing officer. If all the property for which the outgoing officer is responsible has been listed, notice of his clearance shall be sent to him by the State procurement officer. No payment shall be made to any outgoing officer until after the clearance has been issued.

(d) The Consolidated Nonexpendable Property Report (Form 17) shall be checked by the incoming accountable officer with the property accounts of the outgoing accountable officer. If all property charged to the outgoing officer has been accounted for, notice of his clearance shall be issued to him by the State Director of Selective Service. No payment shall be made to any outgoing accountable officer until after the clearance has been issued.*

§ 609.5 *Unserviceable property: Condemnation and sale of.* (a) In case any board or State Headquarters for Selective Service has any nonexpendable property which has become unserviceable, the responsible officer shall prepare, in duplicate, and submit to the State Director of Selective Service a report of such property. A surveying officer, who shall be designated by the State Director of Selective Service to make such surveys, shall examine the property, endorse on the original and copy of the report his findings and recommendations, and return them to the State Director of Selective Service. The State Director of Selective Service, by endorsement on the original and copy of the report, shall order the property sold or disposed of in such other manner as he may deem proper. He shall send the original of the report, with said endorsements thereon, to the State procurement officer for compliance and shall send the copy to the responsible officer.

(b) Unserviceable property ordered sold shall be disposed of for cash at public auction or to the highest bidder on sealed proposals after due notice and in such market as the public interest may require.

(c) The proceeds from the sale of any unserviceable property, after deducting expenses of the sale, shall be turned over to the State procurement officer, who shall forward such proceeds for deposit to the finance officer, United States Army, in the area in which the sale took place. The State procurement officer shall obtain from such finance officer a receipt for the amount so forwarded.

(d) The report required under the provisions of § 609.3 shall show property disposed of in the manner hereinbefore provided until the Director of Selective Service issues written instructions that it shall be dropped. Such written instructions shall be attached to the first report in which the property so disposed of is not listed.*

§ 609.6 *Nonexpendable property: Lost, stolen, or destroyed.* (a) Whenever any article of nonexpendable property is lost, stolen, or destroyed, the responsible officer shall prepare, in triplicate, a complete report on such lost, stolen, or destroyed article and submit it to the State Director of Selective Service. A surveying officer, who shall be designated by the State Director of Selective Service to make such surveys, shall make a complete investigation of the facts and circumstances surrounding the loss, theft, or destruction, endorse on the original and copies of the report his findings and recommendations, and return them to the State Director of Selective Service. The State Director of Selective Service, by endorsement on the original and each copy of the report, shall indicate his approval or disapproval of the findings and recommendations of the surveying officer. The original and both copies of the report, with the endorsements thereon, shall then be forwarded to the Director of Selective Service, who shall have final review of the recommended action on the case. If the Director of Selective Service approves the recommendation of the State Director of Selective Service, one copy of the report shall be retained in the files of National Headquarters for Selective Service, and the original and other copy shall be forwarded for necessary action to the State procurement officer, through the State Director of Selective Service, who shall retain the original and forward the copy to the responsible officer. In the event that the Director of Selective Service disapproves the recommendation of the State Director of Selective Service, he shall direct the disposition to be made of the case by endorsement on the original and each copy of the report. One copy of the report and endorsements thereon shall be retained in the files of National Headquarters for Selective Service, and the original and other copy thereof shall be forwarded to the State procurement officer through the State Director of Selective Service. After the State procurement officer has complied with the direction of the Director of Selective Service, he shall retain the original of the report and endorsements thereon and shall forward the copy thereof to the responsible officer.

(b) The report required under the provisions of § 609.3 shall show the property reported as lost, stolen, or destroyed until the Director of Selective Service issues written instructions that it shall be dropped. Such written instructions shall be attached to the first report in which the lost, stolen, or destroyed property is not listed.*

§ 609.7 *Obsolete blank forms: Disposition of.* Whenever blank forms or other printed matter become obsolete, the Director of Selective Service will order the disposition to be made thereof.*

LEWIS B. HERSHEY,
Director.

DECEMBER 18, 1941.

[F. R. Doc. 41-9826; Filed, December 30, 1941; 10:57 a. m.]

PART 611—DUTY AND RESPONSIBILITY TO REGISTER

Effective February 1, 1942, the Selective Service Regulations are hereby amended by assigning new numbers to the paragraphs hereinafter listed; by changing the context of those paragraphs which are followed by the words "as amended"; and by publishing such renumbered and amended paragraphs as the sections of Part 611 of the Second Edition of the Selective Service Regulations.

Paragraph 201 as amended becomes § 611.1.
Paragraph 202 as amended becomes § 611.2.
Paragraph 203 as amended becomes § 611.3.
Paragraph 204 becomes § 611.4.
Paragraph 205 as amended becomes § 611.5.

PART 611—DUTY AND RESPONSIBILITY TO REGISTER

Sec.

§ 611.1 *Duty to be registered.* (a) The provisions of the Selective Training and Service Act of 1940, as amended, requiring certain men to present themselves for and submit to registration read as follows:

Except as otherwise provided in this Act, it shall be the duty of every male citizen of the United States, and of every other male person residing in the United States, who, on the day or days fixed for the first or any subsequent registration, is between the ages of eighteen and sixty-five, to present himself for and submit to registration at such time or times and place or places, and in such manner and in such age group or groups, as shall be determined by rules and regulations prescribed hereunder (sec 2, Selective Training and Service Act of 1940, as amended).

(b) By the provisions of section 5 (a) of the Selective Training and Service Act of 1940, as amended, certain men are not required to be registered so long as they have a certain status. These provisions read as follows:

Commissioned officers, warrant officers, pay clerks, and enlisted men of the Regular Army, the Navy, the Marine Corps, the Coast Guard, the Coast and Geodetic Survey, the Public Health Service, the federally recognized active National Guard, the Officers' Reserve Corps, the Regular Army Reserve, the Enlisted Reserve Corps, the Naval Reserve, and the Marine Corps Reserve; cadets, United States Military Academy; midshipmen, United States Naval Academy; cadets, United States Coast Guard Academy; men who have been accepted for admittance (commencing with the academic year next succeeding such acceptance) to the United States Military Academy as cadets, to the United States Naval Academy as midshipmen, or to the United States Coast Guard Academy as cadets, but only during the continuance of such acceptance; cadets of the advanced course, senior division, Reserve Officers' Training Corps or Naval Reserve Officers' Training Corps; and diplomatic representatives, technical attaches of foreign embassies and legations, consuls general, consuls, vice consuls, consular agents of foreign countries, and persons in other categories to be specified by the President, residing in the United States, who are not citizens of the United States, and who have not declared their intention to become citizens of the United States, shall not be required to be registered under section 2 and shall be relieved from liability for training and service under section 3 (b) (sec. 5 (a), Selective Training and Service Act of 1940, as amended).

(c) The enactment of the Coast Guard Auxiliary and Reserve Act of 1941 added a group of men to those not required to be registered so long as they have a certain status. The applicable portions of that act read:

208. Members of the (Coast Guard) Reserve, other than temporary members as provided for in section 207 hereof, shall receive the same exemption from registration and liability for training and service as members of the Naval Reserve * * *.

207. The Commandant, with the approval of the Secretary of the Treasury, is hereby authorized to enroll for active duty, as temporary members of the (Coast Guard) Reserve, such owners, regulars officers, and members of the crew of any motorboat or yacht placed at the disposal of the Coast Guard as are citizens of the United States or of its territories or possessions except the Philippine Islands * * *.

(d) On the day and between the hours fixed for registration by Presidential proclamation, every man required to do so under the foregoing provisions shall present himself for and submit to registration before a duly designated registration official or the local board having jurisdiction in the area in which he has his permanent home or in which he may happen to be on that day.*

*§§ 611.1 to 611.5, inclusive, issued under the authority contained in 54 Stat. 885; 50 U.S.C., Sup., 301-318, inclusive, E.O. No. 8545; 5 F.R. 3779.

§ 611.2 *Change of status.* Every man who would have been required to be registered on a day fixed for registration by Presidential proclamation except for the fact that he was in one of the groups mentioned in section 5 (a), Se-

lective Training and Service Act of 1940, as amended, or section 208, Coast Guard Auxiliary and Reserve Act of 1941, shall be required, under the provision of section 5 (h) of the Selective Training and Service Act of 1940, as amended, to present himself for and submit to registration before a local board when a change in his status removes him from such group.*

§ 611.3 *Man outside areas where local boards are organized.* Every man subject to registration who, on the day fixed for registration, is not within one of the several States of the United States, the District of Columbia, Alaska, Hawaii, or Puerto Rico, and who is therefore outside of the areas where local boards are organized, when he enters any State of the United States, the District of Columbia, Alaska, Hawaii, or Puerto Rico, shall present himself for and submit to registration before a local board.*

§ 611.4 *Inmate of institution.* Every man subject to registration who is an inmate of an insame asylum, jail, penitentiary, reformatory, or similar institution on the day fixed for registration shall be registered on the day he leaves the institution.*

§ 611.5 *Responsibility for performance of duty.* (a) Every man subject to registration is required to familiarize himself with the rules and regulations governing registration and to comply therewith.

(b) Every person is deemed to have notice of the requirements of the Selective Training and Service Act of 1940, as amended, and of the rules and regulations prescribed thereunder upon the publication by the President of a proclamation or other public notice fixing a time for registration.

(c) Every man who, on the day fixed for registration, is required to be registered is personally charged with the duty of presenting himself before the proper officials and submitting to registration.

(d) The duty of every man subject to registration to present himself for and submit to registration shall continue at all times, and if for any reason any such man is not registered on the day fixed for his registration, he shall immediately present himself for and submit to registration before the local board in the area where he happens to be.

(e) The Selective Training and Service Act of 1940, as amended, section 11, provides that any person charged as herein provided with the duty of carrying out any of the provisions of this Act, or the rules or regulations made or directions given thereunder, who shall knowingly fail or neglect to perform such duty, and any person charged with such duty, or having and exercising any authority under said Act, rules, regulations, or directions who shall knowingly make, or be a party to the making of, any false, improper, or incorrect registration, classification, physical or mental examination, deferment, induction, enrollment, or muster, and any person who shall knowingly make, or be a party to the making of, any false statement or certificate as to the fitness or unfitness or liability or nonliability of himself or any other person for service under the provisions of this Act, or rules, regulations, or directions made pursuant thereto, or who otherwise evades registration or service in the land or naval forces or any of the requirements of this Act, or who knowingly counsels, aids, or abets another to evade registration or service in the land or naval forces or any of the requirements of this Act, or of said rules, regulations, or directions, or who in any manner shall knowingly fail or neglect to perform any duty required of him under or in the execution of this Act, or rules or regulations made pursuant to this Act, or any person or persons who shall knowingly hinder or interfere in any way by force or violence with the administration of this Act or the rules or regulations made pursuant thereto, or conspire to do so, shall, upon conviction in the district court of the United States having jurisdiction thereof, be punished by imprisonment for not more than five years or a fine of not more than $10,000, or by both such fine and imprisonment, or if subject to military or naval law may be tried by court martial, and, on conviction, shall suffer such punishment as a court martial may direct. No person shall be tried by any military or naval court martial in any case arising under this Act unless such person has been actually inducted for the training and service prescribed under this Act or unless he is subject to trial by court martial under laws in force prior to the enactment of this Act. Precedence shall be given by courts to the trial of cases arising under this Act.

(f) Men required to present themselves for and submit to registration shall not be paid for performing such obligation nor shall they be paid travel allowances or expenses.*

LEWIS B. HERSHEY,
Director

DECEMBER 20, 1941.

[F. R. Doc. 41-9827; Filed, December 30, 1941; 10:58 a. m.]

PART 624—VOLUNTEERS

Effective February 1, 1942, the Selective Service Regulations are hereby amended by rearranging the order in which the paragraphs hereinafter listed will appear; by assigning new numbers to such rearranged paragraphs; by changing the context of those paragraphs hereinafter listed which are followed by the words "as amended"; and by publishing such rearranged, renumbered, and amended paragraphs as the sections of Part 624 of the Second Edition of the Selective Service Regulations:

Paragraph 334 as amended becomes § 624.1.
Paragraph 335 as amended becomes § 624.2.
Paragraph 335 as amended becomes § 624.3.
Paragraph 335 as amended becomes § 624.4.

PART 624—VOLUNTEERS

Sec.
624.1 Who may volunteer.
624.2 Where person may volunteer.
624.3 Registration of certain volunteers.
624.4 Classification of volunteers.

§ 624.1 *Who may volunteer.* Men between the ages of 18 and 45 may volunteer at the local board for induction into the land and naval forces for training and service under the Selective Training and Service Act of 1940, as amended. The local board shall not accept for induction any person who is under 21 years of age unless he furnishes the local board with the written consent of his parents. However, the local board may dispense with this consent upon a showing that the consent of any parent cannot be obtained because the parent is absent and cannot be reached. The term "parent" in this section includes guardian. If the volunteer has no parents living and has no guardian, he shall submit a statement to that effect to the local board. There is no special form for parents' or guardians' consent.*

§§ 624.1 to 624.4, inclusive, issued under the authority contained in 54 Stat. 885; 50 U.S.C., Sup., 301-318, inclusive; E.O. No. 8545, 5 F.R. 3779.

§ 624.2 *Where person may volunteer.* (a) If a man has been registered and desires to volunteer for induction, he may so volunteer only through his own local board. If a man has not been registered and desires to volunteer for induction, he may register and then volunteer, but may do so only through the local board having jurisdiction of the area in which he resides.

(b) In case either such man is so far from the local board through which he may volunteer that it would be a hardship for him to appear in person at such local board in order to volunteer, he may present himself at a local board having jurisdiction of the area in which he is at the time located, and such local board shall assist him by correspondence or other means to volunteer through his own local board or the local board having jurisdiction of the area in which he resides, as the case may be, to the end that all uncompleted procedure with reference to such man's registration, classification, selection, and induction may be completed as soon as possible, including, when necessary, transfer for classification, reference for physical examination, transfer for delivery, or any of such steps which may be considered proper for the purpose.*

§ 624.3 *Registration of certain volunteers.* (a) If a person who is required to be registered but who has failed to do so volunteers for induction, he shall be registered as a late registrant and shall be given a serial number and order number in exactly the same manner as any other registrant. In all such cases, as well as in the case of a registrant who already has an order number, a "V" shall be placed on the Registration Card (Form 1) immediately following the or-

der number to indicate that such a registrant is a volunteer.

(b) If a person not required to be registered volunteers for induction, he shall be registered on a white Registration Card (Form 1), but shall not be given either a serial number or an order number. A "V" shall be placed on the Registration Card (Form 1) in the space provided for the order number to indicate that such person is a volunteer.

(c) In registering the volunteer, the local board will follow the procedure set forth in part 613, and, as in the case of any other registrant, the local board for the area in which the residence of the registrant (the place indicated on line 2 of the Registration Card (Form 1)) is located will have jurisdiction of such registrant.*

§ 624.4 *Classification of volunteers.* A volunteer shall not be inducted if after classification he is deferred. He shall be classified in exactly the same manner as any other registrant, except that no person who volunteers shall be classified in Class I–H.*

LEWIS B. HERSHEY,
Director.

DECEMBER 18, 1941.

[F. R. Doc. 41-9828; Filed, December 30, 1941; 10:58 a. m.]

PART 625—APPEARANCE BEFORE LOCAL BOARD

Effective February 1, 1942, the Selective Service Regulations are hereby amended by rearranging the order in which the paragraphs hereinafter listed will appear; by assigning new numbers to such rearranged paragraphs; by changing the context of those paragraphs hereinafter listed which are followed by the words "as amended"; and by publishing such rearranged, renumbered, and amended paragraphs as the sections of Part 625 of the Second Edition of the Selective Service Regulations:

Paragraph 367 as amended becomes § 625.1.
Paragraph 368 as amended becomes § 625.1.
Paragraph 369 as amended becomes § 625.2.

PART 625—APPEARANCE BEFORE LOCAL BOARD

Sec.

625.1 Opportunity to appear in person.
625.2 Appearance before local board.

§ 625.1 *Opportunity to appear in person.* (a) Every registrant, after his classification is determined by the local board (except a classification which is itself determined upon an appearance before the local board under the provisions of this part), shall have an opportunity to appear in person before the member or members of the local board designated for the purpose if he files a written request therefor within 10 days after the local board has mailed a Notice of Classification (Form 57) to him. Such 10-day period may not be extended, except when the local board finds that the registrant was unable to file such request within such period because of circumstances over which he had no control.

(b) No person other than the registrant may request an opportunity to appear in person before the local board.

(c) If the written request of the registrant to appear in person is filed with the local board within the 10-day period or if it is filed after such 10-day period and the local board finds that the registrant was unable to file such request within such period because of circumstances over which he had no control, the local board shall enter upon the Classification Record (Form 100) the date on which the request was received and the date and time fixed for the registrant to appear and shall promptly mail to the registrant a notice of the time and place fixed for such appearance.

(d) If such a written request of a registrant for an opportunity to appear in person is received after the 10-day period following the mailing of a Notice of Classification (Form 57) to the registrant, the local board, unless it specifically finds that the registrant was unable to file such a request within such period because of circumstances over which he had no control, should advise the registrant, by letter, that the time in which he is permitted to file such a request has expired, and a copy of such letter should be placed in the registrant's file. Under such circumstances, no other record of the disposition of the registrant's request need be made.*

*§§ 625.1 to 625.2, inclusive, issued under the authority contained in 54 Stat. 885; 50 U.S.C., Sup. 301–318, inclusive; E.O. No. 8545, 5 F.R. 3779.

§ 625.2 *Appearance before local board.* (a) At the time and place fixed by the local board, the registrant may appear in person before the member or members of the local board designated for the purpose. The fact that he does appear shall be entered in the proper place on the Classification Record (Form 100). If the registrant does not speak English adequately, he may appear with a person to act as interpreter for him. No registrant may be represented before the local board by an attorney.

(b) At any such appearance, the registrant may discuss his classification, may point out the class or classes in which he thinks he should have been placed, and may direct attention to any information in his file which he believes the local board has overlooked or to which he believes it has not given sufficient weight. The registrant may present such further information as he believes will assist the local board in determining his proper classification. Such information shall be in writing or, if oral, shall be summarized in writing and, in either event, shall be placed in the registrant's file. The information furnished should be as concise as possible under the circumstances. The member or members of the local board before whom the registrant appears may impose such limitations upon the time which the registrant may have for his appearance as they deem necessary.

(c) After the registrant has appeared before the member or members of the local board designated for the purpose, the local board shall consider the new information which it receives and shall again classify the registrant in the same manner as if he had never before been classified: *Provided*, That if he has been physically examined by the examining physician, the Report of Physical Examination and Induction (Form 221) already in his file shall be used in case his physical or mental condition must be determined in order to complete his classification.

(d) After the registrant has appeared before the member or members of the local board designated for the purpose, the local board, as soon as practicable after it again classifies the registrant, shall mail notice thereof on the Notice of Classification (Form 57) to the persons entitled to receive such notice on an original classification under the provisions of § 623.53.

(e) Each such classification shall be followed by the same right of appeal as in the case of an original classification.*

LEWIS B. HERSHEY,
Director.

DECEMBER 18, 1941.

[F. R. Doc. 41-9829; Filed, December 30, 1941; 10:58 a. m.]

PART 626—REOPENING AND CONSIDERING ANEW REGISTRANT'S CLASSIFICATION

Effective January 1, 1942, the Selective Service Regulations are hereby amended by assigning new numbers to the paragraphs hereinafter listed; by changing the context of those paragraphs which are followed by the words "as amended"; by adding a new section; and by publishing such renumbered and amended paragraphs and the new section as the sections of Part 626 of the Second Edition of the Selective Service Regulations:

Paragraph 385 as amended becomes § 626.1.
Paragraph 386 as amended becomes § 626.2.
Paragraph 386 as amended becomes § 626.3.
Paragraph 387 as amended becomes § 626.11.
Paragraph 387 becomes § 626.13.
Paragraph 388 as amended becomes § 626.14.
New section § 626.12.

PART 626—REOPENING AND CONSIDERING ANEW REGISTRANT'S CLASSIFICATION

REOPENING REGISTRANT'S CLASSIFICATION

Sec.

626.1 Classification not permanent.
626.2 When registrant's classification may be reopened and considered anew.
626.3 Refusal to reopen and consider anew registrant's classification.

CLASSIFICATION ANEW

626.11 When classification reopened it shall be considered anew.
626.12 Notice of action when classification considered anew.
626.13 Right of appeal following reopening of classification.
626.14 Induction stayed when classification reopened.

REOPENING REGISTRANT'S CLASSIFICATION

§ 626.1 *Classification not permanent.* (a) No classification is permanent. At any time prior to the mailing by the local board of an Order to Report for Physical Examination by the Armed Forces (Form 150A) to a registrant, his classification may be reopened and considered anew in the manner hereinafter in this part provided. At any time after the local board has mailed an Order to Report for Physical Examination by the Armed Forces (Form 150A) to a registrant and before such registrant is inducted, his classification may be reopened and considered anew, provided that the local board finds that the registrant had no control over the circumstances which resulted in a change in his status.

(b) Each classified registrant shall, within 10 days after it occurs, and any other person should, within 10 days after knowledge thereof, report to the local board in writing any fact that might result in such registrant being placed in a different classification.

(c) The local board shall keep informed of the status of classified registrants. Registrants may be questioned or physically or mentally re-examined, employers may be required to furnish information, police officials or other agencies may be requested to make investigations, and other steps may be taken by the local board to keep currently informed concerning the status of classified registrants.*

*§§ 626.1 to 626.14, inclusive, issued under the authority contained in 54 Stat. 885; 50 U.S.C., Sup., 301–318, inclusive; E.O. No. 8545, 5 F.R. 3779.

§ 626.2 *When registrant's classification may be reopened and considered anew.* (a) The local board may reopen the classification of a registrant on its own motion when it receives information presenting facts not considered when the registrant was classified, provided that such facts, if true, would justify a change in such registrant's classification.

(b) The local board may reopen and consider anew a registrant's classification upon the written request of the registrant, any person who claims to be a dependent of the registrant, any interested party in the case involving occupational deferment, or the government appeal agent, provided that such request is accompanied by written information presenting facts not considered when the registrant was classified and that such facts, if true, would justify a change in such registrant's classification.

(c) The local board shall reopen and consider anew the classification of a registrant upon the written request of the State Director of Selective Service or the Director of Selective Service.

(d) On July 1 of each year the local board shall reopen the case of each registrant then classified in Class I–A, Class I–A–O, Class I–B, or Class I–B–O who has not been inducted and who on or before that day has attained the 28th anniversary of the day of his birth and shall change the classification of such registrants to Class I–H (or other deferred class if grounds are then established).

(e) On July 1 of each year the local board shall reopen the case of each registrant then classified in Class IV–E or Class IV–E–LS who has not been inducted and who on or before that day has attained the 28th anniversary of the day of his birth and shall change the classification of such registrants to Class IV–E–H (or other deferred class if grounds are then established).*

§ 626.3 *Refusal to reopen and consider anew registrant's classification.* When a registrant, any person who claims to be a dependent of a registrant, any interested party in a case involving occupational deferment, or the government appeal agent files with the local board a written request to reopen and consider anew the registrant's classification and the local board is of the opinion that the information accompanying such request fails to present any facts in addition to those considered when the registrant was classified or, even if new facts are presented, the local board is of the opinion that such facts, if true, would not justify a change in such registrant's classification, it shall not reopen the registrant's classification. In such a case, the local board, by letter, should advise the person filing the request that the information submitted does not warrant the reopening of the registrant's classification and should place a copy of the letter in the registrant's file. No other record of the receipt of such a request and the action taken thereon is required.*

CLASSIFICATION ANEW

§ 626.11 *When classification reopened, it shall be considered anew.* When the local board reopens the registrant's classification, it shall consider the new information which it has received and shall again classify the registrant in the same manner as if he had never before been classified, provided that if he has been physically examined, the examining physician's Report of Physical Examination and Induction (Form 221), already in his file, shall be used to determine whether he has any defect set forth in Part I or Part II of the List of Defects (Form 220) when such fact is necessary in order to complete his classification. Such classification shall be and have the effect of a new and original classification even though the registrant is again placed in the class that he was in before his classification was reopened.*

§ 626.12 *Notice of action when classification considered anew.* When the local board reopens the registrant's classification, it, as soon as practicable after it again classifies the registrant, shall mail notice thereof on a Notice of Classification (Form 57) to the persons entitled to receive notice of an original classification under the provisions of § 623.52.*

§ 626.13 *Right of appeal following reopening of classification.* Each such classification shall be followed by the same right of appearance before the local board and the same right of appeal as in the case of an original classification.*

§ 626.14 *Induction stayed when classification reopened.* No registrant shall be ordered to report for induction and no Order to Report for Induction (Form 150) shall be effective during the period when the local board is considering the registrant's classification anew, commencing with the day when such classification is reopened.*

LEWIS B. HERSHEY,
Director.

DECEMBER 18, 1941.

[F. R. Doc. 41–9830; Filed, December 30, 1941; 10:59 a. m.]

PART 627—APPEAL TO BOARD OF APPEAL

Effective February 1, 1942, the Selective Service Regulations are hereby amended by rearranging the order in which the paragraphs hereinafter listed will appear; by assigning new numbers to such rearranged paragraphs; by changing the context of those paragraphs hereinafter listed which are followed by the words "as amended"; and by publishing such rearranged, renumbered, and amended paragraphs as the sections of Part 627 of the Second Edition of the Selective Service Regulations:

Paragraph 370*a* as amended becomes § 627.2.
Paragraph 370*b* as amended becomes § 627.1
Paragraph 371*a* as amended becomes § 627.1.
Paragraph 371*b* and *c* as amended becomes § 627.2.
Paragraph 372*a* and *b* as amended becomes § 627.11.
Paragraph 372*c* as amended becomes § 627.12.
Paragraph 372*d* as amended becomes § 627.13.
Paragraph 373*a* as amended becomes § 627.21.
Paragraph 373*b* as amended becomes § 627.22.
Paragraph 373 as amended becomes § 627.23.
Paragraph 374 as amended becomes § 627.24.
Paragraph 374*d* as amended becomes § 627.27.
Paragraph 375 as amended becomes § 627.25.
Paragraph 376 as amended becomes § 627.26.
Paragraph 377*a* as amended becomes § 627.32.
Paragraph 377*b* as amended becomes § 627.31.
Paragraph 378 as amended becomes § 627.41.

PART 627—APPEAL TO BOARD OF APPEAL

WHO MAY APPEAL

PROCEDURE FOR TAKING APPEAL

PROCEDURE FOLLOWED BY BOARD OF APPEAL

Sec.

LOCAL BOARD ACTION ON RECEIVING DECISION OF BOARD OF APPEAL

EFFECT OF APPEAL

WHO MAY APPEAL

§ 627.1 *Who may appeal any determination of a local board to a board of appeal at any time.* (a) Either the State Director of Selective Service or the Director of Selective Service may appeal from any determination of a local board.

(b) Either the State Director of Selective Service or the Director of Selective Service may take such an appeal at any time.*

*§§ 627.1 to 627.41, inclusive, issued under the authority contained in 54 Stat. 885; 50 U.S.C., Sup., 301–318, inclusive, E.O. No. 8545, 5 F.R. 3779.

§ 627.2 *Who may appeal registrant's classification to board of appeal under certain circumstances.* (a) The registrant, any person who claims to be a dependent of a registrant, any person who has filed written evidence of the occupational necessity of a registrant, or the government appeal agent may appeal to a board of appeal from any classification of the registrant by the local board except that no such person may appeal from the determination of the registrant's physical or mental condition by the examining physician, the examining station of the armed forces, or the local board.

(b) The government appeal agent may take any appeal authorized under (a) above at any time prior to the date when the local board mails to the registrant an Order to Report for Physical Examination by the Armed Forces Prior to Induction (Form 150A).

(c) The registrant, any person who claims to be a dependent of the registrant, or any person who has filed written evidence of the occupational necessity of the registrant may take an appeal authorized under (a) above at any time within 10 days after the date when the local board mails to the registrant a Notice of Classification (Form 57). At any time prior to the date that the local board mails to the registrant an Order to Report for Physical Examination by the Armed Forces Prior to Induction (Form 150A), the local board may permit any such person to appeal, even though such 10-day period has elapsed, if it is satisfied that the failure of such person to appeal within the 10-day period was due to a lack of understanding of the right to appeal or to some cause beyond the control of such person. Unless the local board thereafter permits an appeal, the right of such persons to appeal shall expire at the end of the 10-day period. If such an extension of time to appeal is granted by the local board, a record thereof shall be entered on the Selective Service Questionnaire (Form 40) under the heading "Minutes of Other Actions."*

PROCEDURE FOR TAKING APPEAL

§ 627.11 *How appeal to board of appeal is taken.* (a) Any person entitled to do so may appeal in either of the following ways:

(1) By filing with the local board a written notice of appeal. Such notice need not be in any particular form but must state the name of the registrant and the name and identity of the person appealing so as to show the right of appeal.

(2) By signing the "Appeal to Board of Appeal" on the Selective Service Questionnaire (Form 40).

(b) The local board shall enter on the Classification Record (Form 100) the date on which an appeal is filed.*

§ 627.12 *Statement of person appealing.* The person appealing may attach to his notice of appeal or to the Selective Service Questionnaire (Form 40) a statement specifying the respects in which he believes the local board erred, may direct attention to any information in the registrant's file which he believes the local board has failed to consider or give sufficient weight, and may set out in full any information which was offered to the local board and which the local board failed or refused to include in the registrant's file.*

§ 627.13 *Local board to transmit record to board of appeal.* (a) Within 10 days after an appeal has been taken to the board of appeal the local board shall transmit to the board of appeal the registrant's complete record, including any statement filed by the person appealing which is authorized by § 627.12.

(b) Before forwarding the registrant's file, the local board shall make sure that all information considered by the local board appears in the file. The local board shall make and place in the registrant's file a written summary of any facts considered by the local board in classifying the registrant which do not already appear in the written information in the file. In making such written summary the local board should refrain from expressing any opinion concerning the information contained in the registrant's file or placed in the summary and should refrain from including any argument in support of its decision.

(c) The local board shall enter in the Classification Record (Form 100) the date that the registrant's file is forwarded to the board of appeal.*

PROCEDURE FOLLOWED BY BOARD OF APPEAL

§ 627.21 *Entry of appeal in Docket Book of Board of Appeal (Form 102).* Upon receiving the record of a registrant, the board of appeal shall enter the registrant's name, order number, and the date the record is received in the Docket Book of Board of Appeal (Form 102) on the separate page provided for appeals from the registrant's local board.*

§ 627.22 *Transfer of appeal.* If a board of appeal has jurisdiction but for any reason cannot act on the case of a registrant, it shall forward the case to the State Director of Selective Service. If there is more than one board of appeal in the State, the State Director of Selective Service will designate one of the other boards of appeal to review the case. If the board of appeal which has forwarded the case to the State Director of Selective Service is the only board of appeal in the State, the Director of Selective Service, upon the request of the State Director of Selective Service, shall designate a board of appeal in a neighboring State to review the case. The State Director of Selective Service shall forward the case to the designated board of appeal and shall advise the local board from which the appeal is taken of that fact and of the reason why the case is not being reviewed by the board of appeal for the area in which such local board is located. The board of appeal so designated shall review the case in the same manner and make the same records as in the case of any appeal received by it in the regular manner except that all entries in records will be made in red ink. When it has rendered its decision, it shall return the case to the State Director of Selective Service from whom it was received.*

§ 627.23 *Preliminary review.* (a) The board of appeal shall make a preliminary review of the file to determine whether the case comes from a local board in its area or is a case that the State Director of Selective Service or the Director of Selective Service has instructed it to review and whether the record is complete and the information in the file sufficient to enable it to decide therefrom, fairly and intelligently, the classification of the registrant. If it finds that the case is improperly before it, the file shall be returned to the local board from which or the person from whom it was received. If it finds that the record is incomplete or believes that further information is advisable, it shall return the file to the local board of origin with instructions as to what action should be taken by the local board. If the board of appeal returns the record for any of the foregoing reasons, it shall enter the date of return in column 4 of the Docket Book of Board of Appeal (Form 102).

(b) If a local board receives a record from a board of appeal, pursuant to (a) above, it shall:

(1) If the board of appeal indicates that the record is incomplete, take whatever action is necessary to complete it.

(2) If the board of appeal instructs it to do so, endeavor to secure further evidence.

(3) Carry out any other proper directions of the board of appeal.

(c) The local board, as soon as it has carried out the directions of the board of appeal, shall return the record to the board of appeal, unless, as a result of the information received in carrying out such directions, it determines that the classification of the registrant should be changed, in which event it shall of its own motion follow the procedure provided in part 626, and any further appeal shall then be from the new classification of the registrant by the local board and shall be treated as a new appeal.

(d) If the local board makes a new classification and the record of the registrant is not returned to the board of appeal, the local board shall report the action taken by it to the board of appeal, and the board of appeal, upon receiving such report, shall note the local board's decision in the Docket Book of Board of Appeal (Form 102), mark the case "Closed," and indicate the reason therefor in the "Remarks" column.

(e) If the record is returned to the board of appeal, the board of appeal shall enter the date when such record is returned to it in column 5 of the Docket Book of Board of Appeal (Form 102) and proceed with the determination of the registrant's classification.*

§ 627.24 *Review by board of appeal.* (a) The Board of appeal shall consider appeals in the order in which they are received.

(b) In reviewing the appeal, no information shall be considered which is not contained in the record received from the local board and the decision of the board of appeal shall be based solely thereon.*

§ 627.25 *Special provisions where appeal involves claim that registrant is a conscientious objector.* (a) If an appeal involves the question of whether or not a registrant is entitled to be sustained in his claim that he is a conscientious objector, the board of appeal shall first determine whether the registrant should be classified in Class I–C, Class IV–F, Class IV–D, Class IV–C, Class IV–B, Class IV–A (not considered in time of war), Class III–A, Class II–B, Class II–A, or Class I–H, in the order listed, and if it so determines, it shall place such registrant in such class. If the board of appeal does not determine that such registrant belongs in one of such classes, it shall transmit the entire file to the United States district attorney for the judicial district in which the local board of the registrant is located for the purpose of securing an advisory recommendation of the Department of Justice. No registrant's file shall be forwarded to the United States district attorney by any board of appeal and any file so forwarded shall be returned, unless in the "Minutes of Other Actions" on the Selective Service Questionnaire (Form 40) the record shows and the letter of transmittal states that the board of appeal reviewed the file and determined that the registrant should not be classified in Class I–C, Class IV–F, Class IV–D, Class IV–C, Class IV–B, Class IV–A (not considered in time of war), Class III–A, Class II–B, Class II–A, or Class I–H.

(b) The Department of Justice shall thereupon make an inquiry and hold a hearing on the character and good faith of the conscientious objections of the registrant. The registrant shall be notified of the time and place of such hearing and shall have an opportunity to be heard. If the objections of the registrant are found to be sustained, the Department of Justice shall recommend to the board of appeal (1) that if the registrant is inducted into the land or naval forces, he shall be assigned to noncombatant service, or (2) that if the registrant is found to be conscientiously opposed to participation in such noncombatant service, he shall be assigned to work of national importance under civilian direction. If the Department of Justice finds that the objections of the registrant are not sustained, it shall recommend to the board of appeal that such objections be not sustained.

(c) Upon receipt of the report of the Department of Justice, the board of appeal shall determine the classification of the registrant, and in its determination it shall give consideration to, but it shall not be bound to follow, the recommendation of the Department of Justice.*

§ 627.26 *Decision of board of appeal.* (a) The board of appeal shall classify the registrant, giving consideration to each class in the order in which the local board gives consideration thereto when it classifies a registrant. (*See* part 623.)

(b) Such classification of the registrant shall be final, except where an appeal to the President is taken, *Provided, however,* That this shall not be construed as prohibiting a local board from changing the classification of a registrant in a proper case under the provisions of part 626.*

§ 627.27 *Record of decision on appeal.* When the board of appeal makes its classification it shall record its decision, showing the yes and no vote, upon the Selective Service Questionnaire (Form 40) and in the Docket Book of Board of Appeal (Form 102) and shall immediately return the record to the local board and mark the case "Closed" in the "Remarks" column of the Docket Book of Board of Appeal (Form 102).*

LOCAL BOARD ACTION ON RECEIVING DECISION OF BOARD OF APPEAL

§ 627.31 *Action of local board if board of appeal does not change classification.* If the board of appeal affirms the local board's classification, the local board, upon receiving the file from the board of appeal, shall proceed as follows:

(a) Mail a Notice of Continuance of Classification (Form 58) to the registrant, the government appeal agent, and to the person who made the appeal, if other than the registrant or government appeal agent.

(b) If one or more members of the board of appeal dissented from the determination of that board, the local board shall indicate on the Notice of Continuance of Classification (Form 58) the numerical division of the board of appeal.*

§ 627.32 *Action of local board if board of appeal changes classification.* If the board of appeal does not affirm the local board's classification, the local board, upon receiving the file from the board of appeal, shall proceed as follows:

(a) Mail a Notice of Classification (Form 57) to the registrant, the government appeal agent, and to the person who made the appeal, if other than the registrant or the government appeal agent.

(b) Enter on the Classification Record (Form 100) the date of mailing the notice.

(c) Enter on the Classification Record (Form 100) the board of appeal classification and, with red ink, draw a line through the local board classification.*

EFFECT OF APPEAL

§ 627.41 *Appeal stays induction.* The local board shall not issue an order for a registrant to report for induction either during the period afforded him to take an appeal to the board of appeal or during the time such an appeal is pending. Any such order to report for induction which has been issued shall be ineffective and shall be canceled by the local board.*

LEWIS B. HERSHEY,
Director.

DECEMBER 24, 1941.

[F. R. Doc. 41-9831; Filed, December 30, 1941; 10:59 a. m.]

PART 628—APPEAL TO THE PRESIDENT

Effective February 1, 1942, the Selective Service Regulations are hereby amended by assigning new numbers to the paragraphs hereinafter listed; by changing the context of those paragraphs which are followed by the words "as amended"; by adding a new section; and by publishing such renumbered and amended paragraphs and the new section as the sections of Part 628 of the Second Edition of the Selective Service Regulations:

Paragraph 379*a* as amended becomes § 628.1.
Paragraph 379*b* as amended becomes § 628.2.
Paragraph 379*c* as amended becomes § 628.3.
Paragraph 380 as amended becomes § 628.4.
Paragraph 381 as amended becomes § 628.5.
Paragraph 381 as amended becomes § 628.6.
New Section § 628.7.

PART 628—APPEAL TO THE PRESIDENT

Sec.
628.1 Who may appeal to the President from any determination of a board of appeal.
628.2 Who may appeal to the President on grounds of dependency only.
628.3 How appeal to the President is taken.

Sec.
628.4 Procedure on appeal to the President.
628.5 File to be returned after appeal to the President is decided.
628.6 Procedure of local board when appeal to the President is returned.
628.7 Appeal to the President stays induction.

§ 628.1 *Who may appeal to the President from any determination of a board of appeal.* When either the State Director of Selective Service or the Director of Selective Service deems it to be in the national interest or necessary to avoid an injustice, he may appeal to the President from any determination of a board of appeal. He may take such an appeal at any time.*

*§§ 628.1 to 628.7, inclusive, issued under the authority contained in 54 Stat. 885; 50 U.S.C., Sup., 301–318, inclusive, E.O. No. 8545, 5 F.R. 3779.

§ 628.2 *Who may appeal to the President on grounds of dependency only.* (a) The registrant, any person who claims to be a dependent of the registrant, or the government appeal agent, at any time within 10 days after the mailing by the local board of the Notice of Classification (Form 57) or the Notice of Continuance of Classification (Form 58), may appeal, on the grounds of dependency only, to the President from the board of appeal classification of a registrant in either Class I–A, Class I–A–O, Class I–B, Class I–B–O, Class IV–E, or Class IV–E–LS, provided either (1) one or more members of the board of appeal dissented from the determination of that board or (2) the government appeal agent executes a certificate in writing, as follows:

Great and unusual hardship will follow the induction of ---------- I therefore recommend that he be placed in Class III–A.
(Name of registrant)

The Government appeal agent shall not make any other statement or attach any other information to such certificate. An appeal to the President may not be taken from any other classification of the registrant or on any other grounds by any of the persons mentioned in this section.

(b) The local board may permit any person who is entitled to appeal under this section to do so, even though the 10-day period herein provided for appeal has elapsed, if it is satisfied that the failure of such person to appeal within the 10-day period was due to a lack of understanding of the right of appeal or to some cause beyond the control of such person. Unless the local board permits such an appeal, the right of such persons to appeal shall terminate at the end of the 10-day period herein provided.*

§ 628.3 *How appeal to the President is taken.* The appeal shall be taken (1) by mailing or delivering to the local board written notice of appeal or (2) by going to the local board and signing the appeal to the President on the Selective Service Questionnaire (Form 40) and, in either case, attaching thereto the certificate and recommendation of the government appeal agent, when necessary. If the appeal is taken by filing a written notice of appeal, such notice need not be in any particular form but should include the name of the registrant, his serial and order numbers, the identity of the person appealing (sufficiently definite to show the right of appeal), and the fact that such person wishes the President to review the determination of the board of appeal.*

§ 628.4 *Procedure on appeal to the President.* (a) When an appeal to the President is taken, the local board shall (1) notify the registrant that such an appeal has been taken, unless he is the person who took the appeal; (2) forward the entire file to the State Director of Selective Service; and (3) enter on the Classification Record (Form 100) the date the file is forwarded. The local board shall not place in the file any statement or expression of opinion concerning the information in the registrant's file or the reasons for its decision.

(b) The State Director of Selective Service shall check the file to be sure that all procedural requirements have been properly complied with, and if he discovers any procedural defects, he shall return the file for its correction. If any information has been placed in the file which was not considered by the local board in making the classification from which the appeal to the President is taken, the State Director of Selective Service shall review such information, and if he is of the opinion that such information, if true, would justify a different classification of the registrant, he shall return the file to the local board with instructions to reopen the registrant's classification and classify the registrant anew.

(c) When the State Director of Selective Service has complied with the provisions of (b) above, he shall, unless the file is returned to the local board, forward the file to the Director of Selective Service. The State Director of Selective Service, unless he himself is the appealing party, shall not place in the file any statement or expression of opinion concerning the information in the registrant's file.*

§ 628.5 *File to be returned after appeal to the President is decided.* When the appeal to the President has been decided, the file shall be returned to the local board through the appropriate State Director of Selective Service.*

§ 628.6 *Procedure of local board when appeal to the President is returned.* When the file of the registrant is received by the local board, it shall: (1) If the classification of the registrant by the board of appeal has been affirmed, mail a Notice of Continuance of Classification (Form 58) to the registrant and to the person making the appeal; (2) if the classification of the registrant by the board of appeal has been changed and the registrant has been placed in a different class, mail a Notice of Classification (Form 57) to the registrant and to the person making the appeal; (3) enter in the Classification Record (Form 100) the date of the mailing of such notices; and (4) if the classification of the registrant by the board of appeal has been changed, enter the new classification in the Classification Record (Form 100) and, with red ink, draw a line through the board of appeal classification.*

§ 628.7 *Appeal to the President stays induction.* The local board shall not issue an order for a registrant to report for induction either during the period afforded the registrant to take an appeal to the President or during the time such an appeal is pending. Any such order to report for induction which has been issued shall be ineffective and shall be canceled by the local board.*

LEWIS B. HERSHEY,
Director.

DECEMBER 22, 1941.

[F. R. Doc. 41-9832; Filed, December 30, 1941; 10:59 a. m.]

PART 631—QUOTAS AND CREDITS

Effective February 1, 1942, the Selective Service Regulations are hereby amended by rearranging the order in which the paragraphs hereinafter listed will appear; by assigning new numbers to such rearranged paragraphs; by changing the context of those paragraphs hereinafter listed which are followed by the words "as amended"; and by publishing such rearranged, renumbered, and amended paragraphs as the sections of Part 631 of the Second Edition of the Selective Service Regulations:

Paragraph 401 as amended becomes § 631.1.
Paragraph 402 as amended becomes § 631.3.
Paragraph 402 as amended becomes § 631.4.
Paragraph 403 as amended becomes § 631.5.
Paragraph 404 as amended becomes § 631.2.
Paragraph 409 as amended becomes § 631.6.
Paragraph 410 as amended becomes § 631.7.
Paragraph 411 as amended becomes § 631.8.
Paragraph 412 as amended becomes § 631.9.

PART 631—QUOTAS AND CREDITS

Sec.
631.1 Quota basis.
631.2 Credit.
631.3 Quota percentage.
631.4 Gross quota.
631.5 Net quota.
631.6 Director of Selective Service to determine quotas and credits for nation and States.
631.7 State Director of Selective Service to determine quotas and credits of local boards.
631.8 Estimating quota bases and quotas.
631.9 Correcting classification and delinquency of registrants failing to report entry into armed forces.

§ 631.1 *Quota basis.* (a) The national quota basis is the total number of registrants liable for training and service, not inducted, who, upon proper classification, are now classified in or will hereafter be classified in Class I–A and Class I–A–O, plus the total of the credits for all States.

(b) The State quota basis is the total number of registrants liable for training and service, not inducted, who, upon

proper classification, are now classified in or will hereafter be classified in Class I–A and Class I–A–O in all of the local boards of the State, plus the credit for the State.

(c) The local board quota basis is the total number of registrants of the local board liable for training and service, not inducted, who, upon proper classification are now classified in or will hereafter be classified in Class I–A and Class I–A–O, plus the credit for the local board.

(d) When specifically prescribed by the Director of Selective Service, the national, State, or local board quota basis may include the registrants classified in any of the other classes.*

* §§ 631.1 to 631.9, inclusive, issued under the authority contained in 54 Stat. 885; 50 U.S.C., Sup., 301–318, inclusive, E.O. No. 8545, 5 F.R. 3779.

§ 631.2 *Credit.* The credit for any subdivision is:

(a) The total number of registrants of the subdivision who have been classified in Class I–C by reason of their induction into the land or naval forces through the Selective Service System, plus

(b) The total number of registrants and nonregistrants from the subdivision known by the Director of Selective Service to have been members of the land or naval forces on November 30, 1940, or to have thereafter become members of such forces other than by induction through the Selective Service System, less

(c) The total number of such men who, after becoming members of the land or naval forces, have been or are hereafter separated therefrom by resignation or dismissal at any time; by discharge dated prior to December 8, 1941, for any cause; or by discharge dated on or after December 8, 1941, for any cause other than physical disability.*

§ 631.3 *Quota percentage.* (a) The State quota percentage is the ratio of the State quota basis to the national quota basis, expressd in percentage.

(b) The local board quota percentage is the ratio of the local board quota basis to the State quota basis, expressed in percentage.*

§ 631.4 *Gross quota.* (a) The national gross quota on a given date is the total of the strength set by proper authority to be attained by the land and naval forces.

(b) The State gross quota is the national gross quota multiplied by the State quota percentage.

(c) The local board gross quota is the State gross quota multiplied by the local board quota percentage.*

§ 631.5 *Net quota.* The net quota for any subdivision is the difference between the gross quota of that subdivision and the credit given to that subdivision.*

§ 631.6 *Director of Selective Service to determine quotas and credits for nation and States.* (a) The Director of Selective Service shall determine the quotas and credits for the nation and for each State. He shall from time to time call upon each State Director of Selective Service for a report on registration, classification, and induction and for such other information as he may require. It shall be the duty of each State Director of Selective Service to currently keep in State Headquarters for Selective Service cumulative records of information relative to registration, classification, and induction of registrants in his State.

(b) The Director of Selective Service will receive from the War or Navy Department or the Marine Corps a Home Address Report (Form 166) for each man who is or becomes a member of the land or naval forces other than by induction through the Selective Service System.

(c) When a member of the land or naval forces is discharged from such forces, the Director of Selective Service will receive from the War or Navy Department or the Marine Corps a Report of Separation (Form 167).

(d) After crediting the proper States, the Director of Selective Service shall forward all Home Address Reports (Form 166) and Reports of Separation (Form 167) to the appropriate State Director of Selective Service.

(e) The Director of Selective Service shall from time to time notify each State Director of Selective Service of the quotas and credits of his State and of the number of men to be furnished by his State to the land or naval forces.*

§ 631.7 *State Director of Selective Service to determine quotas and credits for local boards.* (a) The State Director of Selective Service shall determine the quotas and credits for each local board area in his State. He shall from time to time call upon each local board for information concerning registration, classification, and induction of its registrants. He will receive from each induction station a list of the men inducted on Delivery List (Form 151).

(b) Upon receiving the Home Address Reports (Form 166) and Reports of Separation (Form 167), the State Director of Selective Service shall credit the proper local boards. He may either forward the reports to the boards, or, if he prefers to retain them in State Headquarters for Selective Service, he shall inform the local boards of the names and addresses of the men shown thereon.

(c) The State Director of Selective Service shall from time to time notify each local board of its net quota.*

§ 631.8 *Estimating quota bases and quotas.* Until the actual numbers necessary for determining quota bases, quotas, and credits are known, the quota bases, quotas, and credits may be estimated.*

§ 631.9 *Correcting classification and delinquency of registrants failing to report entry into armed forces.* (a) Upon receiving Home Address Reports (Form 166) and Reports of Separation (Form 167) from the State Director of Selective Service or the information from the State Director of Selective Service based thereon, should he elect to retain the reports themselves in State Headquarters for Selective Service, the local board shall check such reports or information against its records to determine whether any registrant has entered the land or naval forces without reporting that fact to the local board. Any registrant who has entered the land or naval forces shall be classified in Class I–C. If he was suspected of being a delinquent only because he failed to report to the local board that he had entered the land or naval forces, the local board shall remove any charge of delinquency made against the registrant and shall make the report required by § 642.6 of these regulations.

(b) The local board shall make an entry in its Classification Record (Form 100) only for those men who have Registration Cards (Form 1) on file with the board.*

LEWIS B. HERSHEY,
Director.

DECEMBER 24, 1941.

[F. R. Doc. 41-9833; Filed, December 30, 1941; 10:59 a. m.]

PART 632—INDUCTION CALLS

Effective February 1, 1942, the Selective Service Regulations are hereby amended by assigning new numbers to the paragraphs hereinafter listed; by changing the context of those paragraphs which are followed by the words "as amended"; and by publishing such renumbered and amended paragraphs as the sections of Part 632 of the Second Edition of the Selective Service Regulations:

Paragraph 414 as amended becomes § 632.1.
Paragraph 415 as amended becomes § 632.2.
Paragraph 416 as amended becomes § 632.3.

PART 632—INDUCTION CALLS

Sec.
632.1 Induction calls by the Director of Selective Service.
632.2 Induction calls by the State Director of Selective Service.
632.3 Selection of men to fill induction call.

§ 632.1 *Induction calls by the Director of Selective Service.* When the Director of Selective Service receives from the Secretary of War or the Secretary of the Navy a requisition for a number of specified men to be inducted, he shall distribute the number of specified men requisitioned among the States to be called upon to furnish such men to fill such requisition. He shall then issue a call on a Notice of Call on State (Form 12) to the State Director of Selective Service of each State concerned, sending two copies thereof to the Secretary who issued the requisition. The State Director of Selective Service, upon receiving such call, shall confer with the Corps Area Commander (or representative of the Navy or Marine Corps) for the purpose of determining the number of specified men to be delivered, in order to actually induct a net of the number of the specified men in such call, and arranging the details as to the times when and the places where such men will be delivered.*

*§§ 632.1 to 632.3, inclusive, issued under the authority contained in 54 Stat. 885; 50

U.S.C., Sup., 301–318, inclusive, E.O. No. 8545, 5 F.R. 3779.

§ 632.2 *Induction calls by the State Director of Selective Service.* (a) After conference with the Corps Area Commander (or representative of the Navy or Marine Corps), the State Director of Selective Service shall issue calls to local boards to meet the number agreed upon as necessary in order to fill the State call. The calls to local boards shall be issued on the Notice of Call (Form 10), filled out in quadruplicate. The State Director of Selective Service shall send the original of each Notice of Call (Form 10) to the local board concerned for its permanent file, a copy to the Corps Area Commander (or to the representative of the Navy or Marine Corps), a copy to the commanding officer of the induction station concerned, and shall file the remaining copy. Calls shall be numbered consecutively, without regard to the service for which the call is made. The calls shall be issued in sufficient time to permit the local boards to mail the Order to Report for Induction (Form 150) to the selected registrants within the time specified in § 633.1.

(b) No call on a local board shall be for more than the board's current net quota.

(c) No call shall be made for men with special qualifications.*

§ 632.3 *Selection of men to fill induction call.* When a call is received by a local board, the board shall immediately proceed to select a sufficient number of specified men to fill the call. The men specified in the call shall be selected in sequence of their order numbers, beginning with the smallest order number: *Provided,* That all specified men who have volunteered for induction shall be selected to fill the call before any specified man who has not volunteered shall be so selected: *Provided, further,* That a man who was not accepted by the armed forces because he was found to have one or more disqualifying defects when he was physically examined by the armed forces shall not be selected to fill a call unless he has refused to have such defect or defects remedied and the Director of Selective Service has secured a waiver of such defect or defects from the armed forces and has specifically directed that such man be selected.*

LEWIS B. HERSHEY,
Director.

DECEMBER 24, 1941.

[F. R. Doc. 41-9834; Filed, December 30, 1941; 11:01 a. m.]

PART 633—DELIVERY AND INDUCTION

Effective February 1, 1942, the Selective Service Regulations are hereby amended by rearranging the order in which the paragraphs hereinafter listed will appear; by assigning new numbers to such rearranged paragraphs; by changing the context of those paragraphs hereinafter listed which are followed by the words "as amended"; and by publishing such rearranged, renumbered, and amended paragraphs as the sections of Part 633 of the Second Edition of the Selective Service Regulations:

Paragraph 417 as amended becomes § 633.2.
Paragraph 418 as amended becomes § 633.1.
Paragraph 421 as amended becomes § 633.2.
Paragraph 422 as amended becomes § 633.3.
Paragraph 423 as amended becomes § 633.4.
Paragraph 424 as amended becomes § 633.5.
Paragraph 425 as amended becomes § 633.11.
Paragraph 426 as amended becomes § 633.6.
Paragraph 427 as amended becomes § 633.7.
Paragraph 428 as amended becomes § 633.8.
Paragraph 429 as amended becomes § 633.9.
Paragraph 430 as amended becomes § 633.12.
Paragraph 433 as amended becomes § 633.10.
Paragraph 434 as amended becomes § 633.13.
Paragraph 435 as amended becomes § 633.14.

PART 633—DELIVERY AND INDUCTION

Sec.

§ 633.1 *Order to Report for Induction (Form 150).* (a) Immediately upon determining which men are to report for induction, the local board shall prepare for each man an Order to Report for Induction (Form 150), in triplicate. The local board shall mail the original to the registrant and shall file the two copies in his Cover Sheet (Form 53).

(b) The time specified for reporting shall be at least 10 days after the date the order is mailed; provided, however, in case of death or extreme emergency to a person in the registrant's immediate family, serious illness of registrant, or other extreme emergency beyond the registrant's control, the local board may, after the Order to Report for Induction (Form 150) has been issued, postpone the time when such registrant shall so report for a period not to exceed 60 days from the date of such postponement; subject, however, in cases of imperative necessity, to one further postponement for a period not to exceed 60 days; and provided also that the Director of Selective Service or any State Director of Selective Service (as to registrants within his State) may for good cause at any time prior to the issuance of an Order to Report for Induction (Form 150) order a local board to delay the issuance of such order until such time as he may deem advisable, or the Director of Selective Service or any State Director of Selective Service (as to registrants within his State) may for good cause at any time after the issuance of an Order to Report for Induction (Form 150) order a local board to postpone the induction of a registrant until such time as he may deem advisable, and no registrant shall be inducted into the land or naval forces during the period of any of such delays or postponements.

(c) The date of issuance and the date of expiration of any period of delay or postponement authorized in (b) above shall be noted in the "Remarks" column of the Classification Record (Form 100).

(d) Any period of delay or postponement may be terminated before the date of expiration when the issuing authority so directs.*

*§§ 633.1 to 633.14, inclusive, issued under the authority contained in 54 Stat. 885; 50 U.S.C., Sup., 301–318, inclusive, E.O. No. 8545, 5 F.R. 3779.

§ 633.2 *Appointment of leader and assistant leader.* (a) After selecting the registrants who are to fill the call, the local board shall designate one selected man to be the leader of the group and one or more to be assistant leaders. Because the leader and assistant leaders have grave responsibilities, the board should, in selecting them, consider each man's age, experience, character, and personality.

(b) Before the time set for selected men to report for delivery to the induction station, the local board should prepare an Appointment of Leader or Assistant Leader (Form 158) for each leader and assistant leader.

(c) Leaders and assistant leaders shall have such authority as is necessary to deliver the group to the induction station.*

§ 633.3 *Delivery list (Form 151).* (a) Before the time set for selected men to report for delivery to the induction station, the local board shall prepare a Delivery List (Form 151), in triplicate. The local board shall make no entries in column 4 of this form.

(b) If a man fails to report as ordered, his absence shall be noted in column 3 on the Delivery List (Form 151) before it is turned over to the leader.

(c) If a man ordered to report for induction has been transferred to another local board for delivery, his name shall nevertheless be carried on the Delivery List (Form 151) in the same manner as though he were being delivered, but a notation shall be made in column 3 opposite his name stating that he was transferred to another local board for delivery and identifying the local board to which such man was transferred for delivery.

(d) If a man ordered to report for induction has been transferred from another local board for delivery, his name shall appear on the Delivery List (Form 151), but a notation shall be made in column 3 opposite his name stating that he was transferred from another local board for delivery and identifying the local board from which such man was transferred for delivery.*

§ 633.4 *Transportation request and meal or lodging requests.* (a) Before the time set for selected men to report for delivery to the induction station, the local board, unless otherwise directed, shall prepare Government Requests for Transportation (Standard Form 1030) and Government Request for Meals or Lodgings for Civilian Registrants (Form 256).

(b) As a convenience to the leader, the local board may exchange the prepared transportation request for transportation tickets.*

§ 633.5 *Records sent to induction station.* (a) The following records shall be turned over to the leader for delivery to the commanding officer of the induction station:

(1) For the group:

Three copies of the Delivery List (Form 151).

(2) For each selected man:

The original and two copies of the Report of Physical Examination and Induction (Form 221); and

The original and one copy of the Order to Report for Induction (Form 150), or, in the case of a man transferred for delivery, the original and one copy of the Order for Transferred Man to Report for Induction (Form 156).

(3) For each selected man under the age liable for training and service:

Written consent of his parents (or guardian), dated not more than 30 days before induction, or the statement prescribed in § 624.1.

(b) If any registrant fails to bring his original Order to Report for Induction (Form 150), the local board may send the two copies in lieu of the original and a copy.*

§ 633.6 *Procedure before delivery.* (a) At the time and place designated for the selected men to report for delivery, the local board shall:

(1) Call the roll of selected men.

(2) Read and issue the appointment of the leader and assistant leaders.

(3) Turn over to the leader the transportation request or tickets, the meal and lodging requests, and the records for the induction station.

(4) Notify the leader of arrangements that have been made at the induction station for the reception of the selected men.

(5) Specifically order the selected men to obey the leader and assistant leaders.

(6) Specifically order the selected men to report to the induction station.

(b) The procedure directed in (a) above should be conducted with brief and dignified ceremony. It may be varied to include speeches by representative citizens, the presence of uniformed organizations, the playing of band music, and parades. All members of the local board and the government appeal agent should be present.*

§ 633.7 *Telegraphic report to commanding officer of induction station.* If upon the departure of men for the induction station it is found that the delivery does not conform to the information supplied on the Notice of Call (Form 10) as to the number of men actually being delivered, the means of transportation, the time or place of arrival, or in any other material respect, the local board shall telegraph or, if less expensive, telephone the commanding officer of the induction station, advising him of any change which have occurred.*

§ 633.8 *Reception of selected men at the induction station and return of rejected men.* In the manner and to the extent prescribed by regulations of the land or naval forces, the commanding officer of the induction station is required to have the selected men met at the railroad station or bus terminal, transported to the induction station, and provided with food and lodging after their arrival and pending their induction or rejection. In the manner and to the extent prescribed by the regulations of the land or naval forces, the commanding officer of the induction station is required to provide transportation and subsistence for the return of the selected men who have been rejected.*

§ 633.9 *Induction.* At the induction station, the selected men found acceptable will be inducted into the land or naval forces.*

§ 633.10 *Records returned by induction station commander.* (a) The State Director of Selective Service of each State from which selected men are delivered to an induction station will receive from the induction station commander a copy of each Delivery List (Form 151).

(b) Each local board delivering selected men to an induction station will receive from the induction station commander the following records:

(1) The original of each Order to Report for Induction (Form 150) or, in the case of a man transferred for delivery, the original of each Order for Transferred Man to Report for Induction (Form 156).

(2) The original Delivery List (Form 151).

(3) One copy of the Report of Physical Examination and Induction (Form 221).

(4) As to each man found not acceptable to the land or naval forces, in addition to the foregoing, the original of the Report of Physical Examination and Induction (Form 221).

(c) The local board, upon receipt of the Report of Physical Examination and Induction (Form 221) from the induction station thereon in Series VI to the copy thereof held in its files and shall then forward one copy of the Report of Physical Examination and Induction (Form 221) to the State Director of Selective Service. The remaining copy of the Report of Physical Examination and Induction (Form 221) and in the case of a rejected man, the original thereof, shall be retained in the registrant's Cover Sheet (Form 53).*

§ 633.11 *Transferring men for delivery.* (a) If any man has been ordered to report for induction and is so far from his own local board that reporting to his own local board for delivery would be a hardship, he may be transferred for delivery to the local board having jurisdiction of the area in which he is at the time located.

(b) Any such man desiring to be so transferred shall immediately report to the local board having jurisdiction of the area in which he is at the time located, present his Order to Report for Induction (Form 150), and make a request in writing that he be transferred for delivery, stating the full circumstances of his absence from his own local board area. This request shall be made on a Request for Transfer for Delivery (Form 154), in triplicate, and left with the local board to which such man requests to be transferred for delivery.

(c) The local board to which such man makes his request shall investigate the circumstances of his absence from his own local board area. If it finds that he does not have a good reason for his absence, it shall endorse its disapproval upon all copies of the request; mail the original to the man's own local board; mail a copy to the man who has requested transfer; and file the remaining copy. Such man will then be required to report for delivery in accordance with the Order to Report for Induction (Form 150) received from his own local board.

(d) If the local board to which such man makes his request for transfer finds that he has a good reason for his absence from his own local board area, it shall endorse its approval upon all copies of the request; mail the original, via air mail (unless ordinary mail is as expeditious), to the man's own local board; mail a copy to the man who has requested the transfer; and file the remaining copy.

(e) Immediately upon receipt of the approved request, the man's own local board shall transfer him. It shall prepare a Transfer of Registrant for Delivery (Form 155), in duplicate, filing the copy and mailing the original to the local board to which the man is being transferred, together with the following papers:

(1) Copy of Order to Report for Induction (Form 150).

(2) The original and two copies of the Report of Physical Examination and Induction (Form 221).

(3) In the event only that the man is a volunteer under the age liable to serv-

ice, there shall be forwarded also the written consent of his parents (or guardian), dated not more than 30 days before induction, or the statement prescribed in § 624.1.

(f) The local board to which such man is transferred for delivery shall proceed to deliver him for induction as soon as practicable. If possible, the transferred man shall be delivered with the next call on the local board to which he has been transferred, but if there is to be no such call at an early date or the local board has no unfilled quota, it shall deliver such transferred man specially whenever the induction station is receiving men. The local board to which such man has been transferred for delivery shall prepare the Order for Transferred Man to Report for Induction (Form 156), in triplicate, and mail the original to the transferred man; provided the time specified therein to report shall be at least 10 days from the date of the mailing of the transferred man's original Order to Report for Induction (Form 150). The local board to which the man is transferred for delivery shall retain in its files the copy of the Order to Report for Induction (Form 150) received from the transferred man's own local board and shall send to the induction station for such transferred man the original and one copy of the Order for Transferred Man to Report for Induction (Form 156) in place of the Order to Report for Induction (Form 150).

(g) The transferred man's own local board will list the transferred man on its Delivery List (Form 151), even though he has been transferred to another local board for delivery; shall make notation on the Delivery List (Form 151) as prescribed in § 633.3 (c); and shall not replace such transferred man. The local board to which the man is transferred for delivery shall deliver him as prescribed in § 633.6, shall include such transferred man on its Delivery List (Form 151), shall make notation on the Delivery List (Form 151) as prescribed in § 633.3 (d), and shall not substitute the transferred man for one of its selected men but shall deliver the transferred man in addition to any deliveries it otherwise would make to fill its own call.

(h) When all of the papers pertaining to such transferred man are returned by the induction station, the local board to which such man was transferred for delivery shall forward all such papers, with the exception of the Delivery List (Form 151), to the transferred man's own local board. In the event he was inducted, the transferred man's own local board, upon receipt of all papers pertaining to him, shall forward to its State Headquarters for Selective Service the copy of the Order for Transferred Man to Report for Induction (Form 156) as substantiating evidence of the credit claimed for such transferred man. After examining such substantiating evidence, the State Headquarters for Selective Service shall return the Order for Transferred Man to Report for Induction (Form 156) to the transferred man's own local board for its files.

(i) The transferred man, if inducted, shall not be credited to the local board to which he was transferred for delivery but shall be credited to his own local board.*

§ 633.12 *No replacements for men not inducted.* (a) A local board shall select from its own registrants and order to report for induction the number of men demanded by the call. If any such men fail to report for delivery, fail to report at the induction station, are transferred to other local boards for delivery, are rejected at the induction station, or for any other reason are not inducted, the local board shall not furnish replacements for such man.

(b) When any man ordered to report for induction has failed to report for delivery or has failed to report at the induction station but later reports for delivery and the local board finds that he was innocent of wrongful intent in having failed to report as directed, such man shall be delivered to the induction station at the earliest time possible and without any extension of time; provided that if such man has been reported as a delinquent in the manner prescribed by these regulations, he shall not be delivered for induction unless the local board first obtains permission from the United States district attorney to whom he was reported.*

§ 633.13 *Classification after man is inducted or is found not acceptable.* (a) Upon receiving notice from the induction station that a selected man has been inducted, he shall be placed in Class I–C.

(b) Upon receiving notice from the induction station that a selected man has been found not acceptable because of a physical defect the local board shall reopen his classification and classify him in Class I–B, Class I–B–O or Class IV–F, as the case may require: *Provided, however,* Where the local board, after consultation with the examining physician or the examining dentist, believes that his physical defect is remediable, it shall classify the registrant by following the procedure set out in § 629.11 for the classification of registrants having remediable defects.

(c) Upon receiving notice from the induction station that a selected man has been found not acceptable because morally unqualified, the local board shall reopen his classification and classify him in Class IV–F.*

§ 633.14 *Clasification after separation from land or naval forces.* (a) Upon receiving a report that a registered man has been separated from the land or naval forces (1) by resignation, dismissal, or discharge prior to December 8, 1941, or (2) by discharge on or after December 8, 1941, for a cause other than physical disability, the local board shall reopen his classification and classify him anew.

(b) Upon receiving a report that a registrant has been separated from the land or naval forces (1) by discharge on or after December 8, 1941, based on physical disability or (2) by death at any time, the local board shall not change his classification, but shall note the facts in the Classification Record (Form 100), on the registrant's Cover Sheet (Form 53), and on his Registration Card (Form 1).*

LEWIS B. HERSHEY,
Director.

DECEMBER 24, 1941.

[F. R. Doc. 41-9835; Filed, December 30, 1941; 11:01 a. m.]

PART 641—NOTICE

Effective February 1, 1942, the Selective Service Regulations are hereby amended by assigning new numbers to the paragraphs hereinafter listed; by changing the context of those paragraphs which are followed by the words "as amended"; and by publishing such renumbered and amended paragraphs as the sections of Part 641 of the Second Edition of the Selective Service Regulations:

Paragraph 155 as amended becomes § 641.1.
Paragraph 156 as amended becomes § 641.5.
Paragraph 157 as amended becomes § 641.4.
Paragraph 158 becomes § 641.3.
Paragraph 159 as amended becomes § 641.2.
Paragraph 160 becomes § 641.6.

PART 641—NOTICE

Sec.

§ 641.1 *Notice of requirements of selective service law.* Every person shall be deemed to have notice of the requirements of the Selective Training and Service Act of 1940 and amendments thereto upon publication by the President of a proclamation or proclamations or other public notice fixing a time for any registration. This provision shall apply not only to registrants but to all other persons.*

* §§ 641.1 to 641.6, inclusive, issued under the authority contained in 54 Stat. 885; 50 U.S.C., Sup., 301–318, inclusive, E.O. No. 8545, 5 F.R. 3779.

§ 641.2 *Failure to take notice.* (a) If a registrant or a person required to present himself for and submit to registration fails to perform any duty prescribed by the selective service law, or directions given pursuant thereto, within the required time, he shall be liable to fine and imprisonment under section 11 of the Selective Training and Service Act of 1940, as amended.

(b) If a registrant or any other person concerned fails to claim and exercise any right or privilege within the required time, he shall be deemed to have waived the right or privilege.*

§ 641.3 *Communication by mail.* It shall be the duty of each registrant to keep his local board advised at all times of the address where mail will reach him.

The mailing of any order, notice, or blank form by the local board to a registrant at the address last reported by him to the local board shall constitute notice to him of the contents of the communication, whether he actually receives it or not.*

§ 641.4 *Notice of mailing of questionnaires.* The Important Notice to Registrants (Form 55) announces that Selective Service Questionnaires (Form 40) have been mailed to certain registrants. It shall be publicly posted at the local board office and shall constitute notice to all persons concerned that classification of such registrants is about to begin.*

§ 641.5 *Classification Record (Form 100).* The Classification Record (Form 100) shall be open to the public at the local board office. It shall be the duty of each registrant to keep himself informed of his status, and any entry concerning him on the Classification Record (Form 100) shall constitute due legal notice thereof to him and to all other interested persons.*

§ 641.6 *Computation of time.* The period of days allowed a registrant or other person to perform any act or duty required of him shall be counted as beginning on the day following that on which the notice to him is posted or mailed.*

LEWIS B. HERSHEY,
Director.

DECEMBER 19, 1941.

[F. R. Doc. 41-9836; Filed, December 30, 1941; 11:01 a. m.]

PART 643—PAROLE

Effective February 1, 1942, the Selective Service Regulations are hereby amended by rearranging the order in which the paragraphs hereinafter listed will appear; by assigning new numbers to such rearranged paragraphs; by changing the context of those paragraphs hereinafter listed which are followed by the words "as amended"; by adding three new sections; and by publishing such rearranged, renumbered, and amended paragraphs, and such new sections as the sections of Part 643 of the Second Edition of the Selective Service Regulations:

Paragraph 176*a* as amended becomes § 643.1.
Paragraph 176*b* as amended becomes § 643.2.
Paragraph 176*c* as amended becomes § 643.3.
Paragraph 176*d* as amended becomes § 643.6.
Paragraph 176*e* as amended becomes § 643.7.
Paragraph 176*f* becomes § 643.8.
Paragraph 176*g* becomes § 643.9.
Paragraph 176*h* as amended becomes § 643.11.
Paragraph 176*i* becomes § 643.12.
New Section § 643.10.
New Section § 643.4.
New Section § 643.5.

PART 643—PAROLE

Sec.

§ 643.1 *Parole: General.* Any person who has heretofore or may hereafter be convicted of a violation of any of the provisions of the Selective Training and Service Act of 1940, or any amendment thereto, or any rules or regulations prescribed thereunder, shall at any time after such conviction be eligible for parole for service in the land or naval forces of the United States, or for work of national importance under civilian direction, or for any other special service established pursuant to said act, in the manner and under the conditions hereinafter set out.*

* §§ 643.1 to 643.12, inclusive, issued under the authority contained in 54 Stat. 885; 50 U.S.C., Sup., 301–318, inclusive, E.O. No. 8545, 5 F.R. 3779.

§ 643.2 *Parole of person required to register.* The parole provided for in § 643.1 may be granted by the Attorney General to any person required to register under the provisions of the Selective Training and Service Act of 1940, as amended, and any proclamation of the President thereunder, if in the judgment of the Attorney General it is compatible with the public interest and the enforcement of the Selective Training and Service Act of 1940, as amended, upon the recommendation of the Director of Selective Service. Before recommending the parole of any such person, the Director of Selective Service shall determine and include in his recommendation whether such person should be paroled for (1) induction into the land or naval forces of the United States; or (2) induction into the land or naval forces of the United States for noncombatant service, as such service has been or may hereafter be defined; or (3) assignment to work of national importance under civilian direction in lieu of induction into the land or naval forces of the United States; or (4) assignment to such other special service as may be established by the Attorney General pursuant to the Selective Training and Service Act of 1940, as amended. If the parole is granted, it shall conform to such recommendation.*

§ 643.3 *Parole of person who is not required to register.* The parole provided for in § 643.1 may be granted by the Attorney General to any person not required to register under the provisions of the Selective Training and Service Act of 1940, as amended, and any proclamation of the President thereunder, if in the judgment of the Attorney General it is compatible with the public interest and the enforcement of the Selective Training and Service Act of 1940, as amended. Such person shall thereupon be inducted into the land or naval forces of the United States, if he is acceptable to such forces, or shall be assigned to any special service established pursuant to the Selective Training and Service Act of 1940, as amended, upon such terms and conditions as may be specified by the Attorney General, and the Attorney General is authorized to establish or designate such special services.*

§ 643.4 *Procedure prior to release on parole.* If the parole of a person required to be registered is under consideration, he shall be registered, physically examined, and the forms needed in his classification shall be executed in the manner set out in § 642.7. If the person whose parole is under consideration has made application for parole into the land or naval forces, he shall also sign an application for voluntary induction. All such documents shall be transmitted to the Director of Selective Service for reference to the proper local board through the appropriate State Director of Selective Service.*

§ 643.5 *Classification and induction of persons paroled for induction into the land or naval forces of the United States.* (a) If the Director of Selective Service recommends to the Attorney General that the registrant be paroled for induction into the land or naval forces, he shall forward the documents referred to in § 643.4 to the appropriate State Director of Selective Service with a request that the proper local board classify the registrant.

(b) Upon receipt of such request, the local board shall consider the registrant as a volunteer for induction. In classifying such a registrant, it is not advisable to place him in a deferred class except when he is found to be physically unfit. Therefore, the local board shall place him in Class I–A or Class I–A–O, unless his physical condition requires his classification in Class I–B, Class I–B–O, or Class IV–F.

(c) One copy of the Notice of Classification (Form 57) shall be mailed to the registrant in care of the warden or superintendent of the institution in which he is confined. If the registrant has been placed in Class I–A or Class I–A–O, the local board will receive from the proper prison officials a certified copy of the order suspending parole supervision of the registrant during military service as provided in § 622.61 (5).

(d) Upon receipt of a copy of such order, the local board shall proceed to order the registrant to report for physical examination by the armed forces and to report for induction in the same manner as in the case of any other registrant, except that at the time the registrant

is ordered to report for induction a certified copy of the order suspending parole supervision shall be sent to the commanding officer of the induction station with a letter of explanation as provided in § 622.61 (5). Arrangements will be made by the proper prison officials for the release of the registrant so that he can be physically examined and inducted by the armed forces.*

§ 643.6 *Change of parole for person who leaves service in land or naval forces.* Any person who is paroled for service in the land or naval forces of the United States but is not actually inducted into said forces or who after induction and before completion of the service specified in the order granting the parole is discharged from such forces may then be paroled by the Attorney General, upon recommendation of the Director of Selective Service, to work of national importance under civilian direction or to any special service established by the Attorney General pursuant to the Selective Training and Service Act of 1940, as amended, or may be returned to a penal or correctional institution to complete the sentence originally imposed with or without deduction for the time spent on parole as the Attorney General may determine.*

§ 643.7 *Parole for assignment to work of national importance under civilian direction.* If in the opinion of the Director of Selective Service any person paroled for assignment to work of national importance under civilian direction fails or refuses to perform such work or service or abide by the rules of conduct established in connection therewith, the Director of Selective Service shall so notify the Attorney General, who may revoke the parole of such person and return him to the penal or correctional institution to complete the sentence originally imposed with or without deduction for the time spent on parole as the Attorney General may determine.*

§ 643.8 *Terms and conditions imposed by the Attorney General.* The Attorney General shall impose such terms and conditions as he may deem proper upon any person released on parole and shall supervise the parolee to see that he abides by the terms and conditions of the parole: *Provided, however,* That such power of supervision shall be suspended while the parolee is in the active land or naval forces of the United States.*

§ 643.9 *Revocation of parole by Attorney General.* The parole herein authorized may be revoked at any time in the discretion of the Attorney General or his authorized agent: *Provided, however,* That such power of revocation shall be suspended while the parolee is in the active land or naval forces of the United States. Upon revocation of the parole, the parolee shall thereupon be returned to the proper penal or correctional institution to complete the sentence originally imposed with or without deduction for the time spent on parole as the Attorney General may determine, or until reparole.*

§ 643.10 *Deductions for good conduct.* Any person granted parole under this part for service in work of national importance under civilian direction or other special service established by the Attorney General pursuant to the Selective Training and Service Act of 1940, as amended, may be released from such service at the expiration of his sentence less credits earned for good conduct, as provided by the act approved June 21, 1902 (32 Stat. 397), and, upon such release, shall be subject to parole supervision, as provided by section 4 of the act approved June 29, 1932 (47 Stat. 381).*

§ 643.11 *Additional rules and regulations.* The Attorney General and the Director of Selective Service are authorized to prescribe such rules and regulations not inconsistent herewith as may be necessary for the proper administration of their respective functions and duties set forth in this part.*

§ 643.12 *Application of general parole laws.* Nothing in these regulations shall be construed as limiting or restricting the application of the act entitled "An act to parole United States prisoners, and for other purposes," approved June 25, 1910 (36 Stat. 819), as amended.*

LEWIS B. HERSHEY,
Director.

DECEMBER 19, 1941.

[F. R. Doc. 41-9837; Filed, December 30, 1941; 11:02 a. m.]

CHAPTER IX—OFFICE OF PRODUCTION MANAGEMENT

SUBCHAPTER B—PRIORITIES DIVISION

PART 974—TOLUENE (TOLUOL)

Amendment No. 1 to General Preference Order No. M-34 to Conserve the Supply and Direct the Distribution of Toluene (Toluol)

Section 974.1 (*General Preference Order No. M-34*) is hereby amended to read as follows:

Whereas the national defense requirements have created a shortage of Toluene for defense, for private account and for export, and it is necessary in the public interest and to promote the defense of the United States to conserve the supply and direct the distribution thereof;

Now, therefore, it is hereby ordered, That:

§ 974.1 *General Preference Order M-34*—(a) *Definitions.* For the purposes of this Order:

(1) "Toluene" means Toluene from whatever source derived, except that it shall not include petroleum solvents and diluents of Kauri-butanol values less than 85 Kauri-butanol number.

(2) "Nitration Grade Toluene" means Toluene which meets the requirements of Grade "A" in United States Army Specification No. 50-11-38C (PXS-820, Rev. 3, September 17, 1941), as the same may from time to time be revised.

(3) "Commercial Grade Toluene" means Toluene other than Nitration Grade Toluene.

(4) "Producer" means any person engaged in the production of Toluene and includes any person who has Toluene produced for him pursuant to toll agreement, and any person who has purchased or purchases Toluene for purposes of resale.

(b) *Applicability of Priorities Regulation No. 1.*[1] Control of the supply and direction of the distribution of Toluene is hereby taken by the Director of Priorities, and all future transactions of any kind in Toluene are regulated and governed by the provisions and definitions contained in Regulation No. 1 of the Priorities Division of the Office of Production Management, issued on the 27th day of August, 1941, except as herein otherwise specifically provided.

(c) *Production of toluene.* After February 1, 1942, Producers of Toluene shall so operate their production facilities that, of the Toluene produced during any month, the maximum amount of Nitration Grade Toluene capable of being produced with such facilities shall be produced, and in no event shall the amount of Nitration Grade Toluene produced be less than 70% of the total amount of Toluene produced.

(d) *Restrictions on delivery of nitration grade toluene.* After the effective date of this Order, no Producer shall deliver Nitration Grade Toluene to any person, except as may be specifically authorized by the Director of Priorities; and no person shall accept delivery of Nitration Grade Toluene in violation of the foregoing clause.

(e) *Restrictions on export.* No Toluene shall be exported by any person, except upon express authorization of the Director of Priorities.

(f) *Restrictions on use.* After February 1, 1942, no Toluene may be sold or delivered for use, or used, by any person as a diluent for protective coatings. The provisions of this paragraph shall apply with respect to stocks of Toluene on hand on said date. Persons who use Toluene as a diluent for protective coatings and who on February 1, 1942, have stocks of Toluene on hand, shall forthwith report such fact (and the details thereof) to the Chemicals Branch of the Office of Production Management and hold such Toluene for disposition by the Director of Priorities.

(g) *Restrictions on delivery of commercial grade toluene.* Anything in Priorities Regulation No. 1 to the contrary notwithstanding, with respect to deliveries of Commercial Grade Toluene to be made on and after February 1, 1942:

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[1] 6 F.R. 4489.

(1) No Producer shall, except as the Director of Priorities may otherwise direct, accept an Order for delivery of Commercial Grade Toluene unless such Order has been placed with him by the 10th day of the month preceding the month in which delivery is sought, and unless such Order is accompanied by Form PD–223 properly executed by the person placing such Order.

(2) No Producer shall make, and no person shall accept, delivery of Commercial Grade Toluene unless and until Form PD–223 hereinabove referred to has been properly executed and punctually filed in accordance with the provisions of paragraph (g) (1) hereof.

(3) Form PD–224 properly executed, which shall schedule, among other things, orders received for delivery of Commercial Grade Toluene during the succeeding month, the preference ratings, if any, applicable to such orders, the deliveries which such Producer proposes to make and his estimated production of Commercial Grade Toluene and Nitration Grade Toluene for the succeeding month, shall, on or before the 15th day of each calendar month commencing January, 1942, be filed by each Producer with the Chemicals Branch of the Office of Production Management. Such Form PD–224 shall be accompanied by a copy of every Form PD–223 submitted to the Producer. After such Form PD–224 has been filed with the Chemicals Branch of the Office of Production Management, any changes of circumstances or matters occurring thereafter affecting the accuracy of the statements contained in such Form PD–224 shall be forthwith reported to the Chemicals Branch of the Office of Production Management.

(4) On and after February 1, 1942, no deliveries of Commercial Grade Toluene shall be made by a Producer to any person unless and until the same shall have been specifically authorized by the Director of Priorities; and no person shall accept delivery of Commercial Grade Toluene made in violation of the foregoing clause. Authorization by the Director of Priorities shall be based primarily upon insuring the satisfaction of all defense requirements and the providing of an adequate supply for essential civilian uses. Each Producer shall, upon being apprised of the deliveries which have been authorized by the Director of Priorities, forthwith notify his customers of the extent of such authorization as the same may affect them. If, however, by the 25th day of the month preceding the month in which deliveries are to be made, no restrictions have been issued by the Director of Priorities, Producers may make deliveries of Commercial Grade Toluene in accordance with the schedules filed by them with the Chemicals Branch of the Office of Production Management.

(h) *Assignment of preference ratings.* (1) Deliveries under all defense orders which have not been assigned a higher preference rating are hereby assigned a preference rating of A–10.

(2) Unless a higher preference rating has been specifically assigned by order of the Director of Priorities, deliveries of Commercial Grade Toluene for the uses (or for the manufacture of products for such uses) set forth below are hereby assigned a preference rating as set opposite each such use as follows:

Use	*Preference rating*
Medicinals and drugs	B–1
Petroleum additives	B–2
Dyes and intermediates	B–3
Rubber accelerators	B–4
Miscellaneous organic chemicals	B–5
Solvents	B–6

(i) *Acceptance of certain non-defense orders.* When a non-defense order for Commercial Grade Toluene for a use specified in paragraph (h) (2) hereof is offered to a Producer, it shall, subject to the same terms and conditions applicable to the acceptance of defense orders set forth in Priorities Regulation No. 1, be accepted for scheduling on Form PD–224 (such scheduling to be in accordance with the preference rating assigned thereto and delivery schedule specified therein). Deliveries, however, shall be made under such an order only in accordance with directions of the Director of Priorities, as hereinabove provided. Any person seeking to place such a non-defense order must make application for acceptance of such order in the first instance to his regular Supplier (if a person has several regular Suppliers, the order should be divided among such Suppliers in accordance with such person's normal method of placing orders.)

(j) *Intra-company transactions.* The prohibitions or restrictions contained in this Order with respect to acceptances of orders and deliveries in the absence of a contrary direction apply not only to acceptances of orders from and deliveries to other persons, including affiliates and subsidiaries, but also to acceptances of orders from and deliveries to one branch, division or section of a single enterprise by or from another branch, division or section of the same or any other enterprise owned or controlled by the same person.

(k) *Reports.* Reports required by Priorities Regulation No. 1 hereinabove referred to shall be made at such times and on such forms as shall be prescribed therefor by the Chemicals Branch of the Office of Production Management. Persons who have stocks of Toluene on hand which they are forbidden by the terms of this Order to deliver (or use) shall forthwith report such fact (and the details thereof) to the Chemicals Branch of the Office of Production Management and hold the said stocks until further order of the Director of Priorities.

(l) *Notification of customers.* Producers shall, as soon as practicable, notify each of their regular customers of the requirements of this Order, but the failure to give such notice shall not excuse any person from the obligation of complying with the terms of this Order.

(m) *Violations or false statements.* Any person who violates this Order, or who wilfully falsifies any records which he is required to keep by the terms of this Order, or by the Director of Priorities, or otherwise wilfully furnishes false information to the Director of Priorities or to the Office of Production Management may be deprived of priorities assistance or may be prohibited by the Director of Priorities from obtaining further deliveries of materials subject to allocation. The Director of Priorities may also take any other action deemed appropriate, including the making of a recommendation for prosecution under Section 35A of the Criminal Code (18 U.S.C. 80).

(n) *Effective date.* This Order shall take effect immediately and shall continue in effect until revoked by the Director of Priorities. (P.D. Reg. 1, Aug. 27, 1941, 6 F.R. 4489; O.P.M. Reg. 3 Amended, Sept. 2, 1941, 6 F.R. 4865; E.O. 8629, Jan 7, 1941, 6 F.R. 191; E.O. 8875, Aug. 28, 1941, 6 F.R. 4483; sec. 2 (a), Public No. 671, 76th Congress, Third Session, as amended by Public No. 89, 77th Congress, First Session; sec. 9, Public No. 783, 76th Congress, Third Session)

Issued this 30th day of December 1941.

DONALD M. NELSON,
Director of Priorities.

[F. R. Doc. 41–9838; Filed, December 30; 1941; 11:04 a. m.]

CHAPTER XI—OFFICE OF PRICE ADMINISTRATION

PART 1358—TOBACCOS

PRICE SCHEDULE NO. 62—CIGARETTES

The Office of Price Administration is charged with maintaining price stability and preventing unwarranted price increases. On December 27, 1941, the American Tobacco Company announced a substantial price increase on Lucky Strike cigarettes. Officials of the company were asked by the Office of Price Administration to rescind the increase pending investigation of factors justifying the price advance. This the company refused to do, unless formally required to do so by the Office of Price Administration. Therefore, pending full investigation, the Office of Price Administration hereby limits the price of all brands of cigarettes sold by manufacturers thereof to those levels prevailing on Friday, December 26, 1941. After completion of the studies under way, further action will be taken.

Accordingly, under the authority vested in me by Executive Order No. 8734, it is hereby directed that:

§ 1358.1 *Maximum prices for cigarettes.* On and after December 30, 1941, regardless of the terms of any contract

of sale or purchase or other commitment, no person manufacturing cigarettes shall sell, offer to sell, deliver or transfer any brand of cigarettes at prices higher than those charged for such brand by said person for a similar quantity to a similar purchaser on December 26, 1941, or, in the event no sale was made on said date, at prices higher than the prices he would have charged on said date for a similar quantity to a similar purchaser.*

*§§ 1358.1 to 1358.9, inclusive, issued pursuant to the authority contained in Executive Orders Nos. 8734, 8875, 6 F.R. 1917, 4483. 1917, 4483.

§ 1358.2 *Less than maximum prices:* Lower prices than those charged on December 26, 1941, may be charged by any person manufacturing cigarettes.*

§ 1358.3 *Evasion.* The price limitations set forth in this Schedule shall not be evaded whether by direct or indirect methods in connection with a purchase, sale, delivery or transfer of cigarettes, alone or in conjunction with any other commodity or tobacco product, or by way of any commission, service, transportation or other charge, or by combination sales or a tying agreement or other trade understanding, or by making discounts, premiums or coupons given, or other terms of sale more onerous to the purchaser than those available or in effect on December 26, 1941.*

§ 1358.4 *Records.* Every manufacturer of cigarettes making sales of cigarettes after December 30, 1941, shall keep for inspection by the Office of Price Administration, for a period of not less than one year, complete and accurate records of each such sale, showing the date thereof, the name and address of the buyer, the price contracted for or received, and the quantity of each brand of cigarettes sold.*

§ 1358.5 *Reports.* Persons affected by this Schedule shall submit such reports to the Office of Price Administration, as it may from time to time require.*

§ 1358.6 *Enforcement.* In the event of refusal or failure to abide by the price limitations, record and report requirements, or other provisions of this Schedule, or in the event of any evasion or attempt to evade the price limitations or other provisions of this Schedule, the Office of Price Administration will invoke all appropriate sanctions at its command, including taking action to see (a) that the Congress and the public are fully informed thereof; (b) that the powers of Government, both state and federal, are fully exerted in order to protect the public interest and the interests of those persons who comply with this Schedule; (c) that full advantage will be taken of the cooperation of the various political subdivisions of federal, state, county and local governments by calling to the attention of the proper authorities failures to comply with this Schedule which may be regarded as grounds for the revocation of licenses and permits; and (d) that the procurement services of the Government are requested to refrain from selling to or purchasing from those persons who fail to comply with this Schedule. Persons who have evidence of the offer, receipt, demand or payment of prices higher than the maximum prices, or of any evasion or effort to evade the provisions hereof, or of speculation, or manipulation of prices of cigarettes, or of the hoarding or accumulating of unnecessary inventories thereof, are urged to communicate with the Office of Price Administration.*

§ 1358.7 *Modification of the Schedule.* Persons complaining of hardship or inequity in the operation of this Schedule may apply to the Office of Price Administration for approval of any modification thereof or exception therefrom: *Provided,* That no application under this section will be considered unless filed by persons complying with this Schedule.*

§ 1358.8 *Definitions.* When used in this Schedule, the term:

(a) "Person" means an individual, partnership, association, corporation, or other busines entity;

(b) "Cigarette" means any rolls of tobacco, or substitute therefor, wrapped in paper or any substance other than tobacco;

(c) "Similar quantity to a similar purchaser" means a purchaser with respect to whom the same price did apply or would have applied for the same brand on December 26, 1941.*

§ 1358.9 *Effective date of the Schedule.* This Schedule shall become effective December 30, 1941.*

Issued this 30th day of December 1941.

LEON HENDERSON,
Administrator.

[F. R. Doc. 41-9872; Filed, December 30, 1941; 12:12 p. m.]

TITLE 33—NAVIGATION AND NAVIGABLE WATERS

CHAPTER II—CORPS OF ENGINEERS, WAR DEPARTMENT

PART 204—DANGER ZONE REGULATIONS [1]

Pursuant to the provisions of section 7 of the River and Harbor Act of August 8, 1917 (40 Stat. 266; 33 U.S.C. 1), the aerial gunnery range south of Horn Island, defined in § 204.91 is hereby redefined, the title and regulations being amended as follows:

§ 204.91 *Waters of Gulf of Mexico and Mississippi Sound; aerial gunnery ranges south of Horn, Petit Bois and Deer Islands, Miss.*—(a) *The danger zones*—(1) *South of Horn and Petit Bois Islands.* The aerial gunnery range lies within the following longitudes and latitudes:

Longitude	*Latitude*
88°22′	30°00′
88°45′	30°00′
88°45′	30°10′
88°22′	30°10′

* * * * *

(b) *The regulations.* (1) The fact that aerial target practice is to take place over the designated area shall be advertised to the public through the usual media for the dissemination of information. Inasmuch as such practice is likely to be engaged in throughout the year without regard to season, such advertising of firing shall be repeated at frequent intervals which shall not exceed 3 months and which shall be more frequent when, in the opinion of the Commanding Officer responsible for the use of the range, such frequent repetition is necessary in the interests of public safety.

(2) Prior to the conducting of each target practice, the area shall be patrolled by Army Aircraft to insure that no watercraft are within the danger area and any such watercraft seen in the vicinity shall be warned by means of signals that target practice is about to take place. The patrol aircraft shall employ the method of warning known as "buzzing" which consists of low flight by the airplane and repeated opening and closing of the throttle.

(3) Any such watercraft shall, upon being so warned, immediately leave the vicinity and shall, until the conclusion of the practice, remain at such a distance that it will be safe from falling projectiles.

(4) No marking of the area is proposed and all aircraft and watercraft shall be presumed to know their whereabouts by distances and direction from land marks or other topographical features along the shore.

(5) The foregoing regulations shall not deny traverse of portions of the danger area in the case of regular cargo-carrying vessels proceeding on established steamer lanes. In case of the presence of any such vessel in the danger area, the officer in charge of gunnery operations shall cause the cessation or postponement of fire until the vessel shall have cleared the part of the area in which it might be endangered by falling projectiles.

(6) These regulations shall be enforced by the Commanding Officer, Key Field, Meridian, Mississippi. (Sec. 7, River and Harbor Act, Aug. 8, 1917, 40 Stat. 266; 33 U.S.C. 1) [Regs. Dec. 16, 1941 (E.D. 7195 (Mexico, Gulf of)-35/11)]

* * * * *

[SEAL] E. S. ADAMS,
Major General,
The Adjutant General.

[1] § 204.91 (a) (1) and (b) is amended.

[F. R. Doc. 41-9815; Filed, December 30, 1941; 9:41 a. m.]

TITLE 36—PARKS AND FORESTS

CHAPTER II—FOREST SERVICE

PART 241—WILDLIFE

AMENDMENT OF REGULATION W–6

By virtue of the authority vested in the Secretary of Agriculture by the Act of June 4, 1897 (30 Stat. 35; 16 U.S.C. 551), the Act of February 1, 1905 (33 Stat. 628; 16 U.S.C. 472), and the Act of August 11, 1916 (39 Stat. 476; 16 U.S.C. 683), Regulation W–6 of the rules and regulations governing the occupancy, use, protection and administration of the National Forests, which constitutes Section 241.6, Part 241, Chapter II, Title 36, Code of Federal Regulations, is hereby amended to read as follows:

§ 241.6 *Noontootly National Game Refuge, Georgia.* Fishing is hereby authorized within Noontootly National Game Refuge, Chattahoochee National Forest, Georgia, under permits issued by the Supervisor of the Chattahoochee National Forest, in accordance with instructions received by him from the Chief of the Forest Service, Washington, D. C., which permits shall state the place and time of fishing, the fee, and the number and size of fish that may be taken. [Regulation W–6]

Done at Washington, D. C., this 30th day of December 1941. Witness my hand and the seal of the Department of Agriculture.

[SEAL] GROVER B. HILL,
Acting Secretary of Agriculture.

[F. R. Doc. 41–9849; Filed, December 30, 1941; 11:11 a. m.]

TITLE 49—TRANSPORTATION AND RAILROADS

CHAPTER I—INTERSTATE COMMERCE COMMISSION

[Ex Parte No. MC–26]

PART 170—COMMERCIAL ZONES

BOSTON, MASS., COMMERCIAL ZONE

At a session of the Interstate Commerce Commission, Division 5, held at its office in Washington, D. C., on the 13th day of December, A. D. 1941.

Investigation of the matters and things involved in this proceeding having been made, and the said division, on the date hereof, having made and filed a report herein containing its findings of fact and conclusions thereon, which report is hereby made a part hereof: [1]

It is ordered, That the applicable provisions of the Code of Federal Regulations be, and they are hereby, amended by adding the following:

§ 170.9 *Boston, Mass.* For the purpose of administration and enforcement of the Interstate Commerce Act, the zone adjacent to and commercially a part of Boston, Mass., and contiguous municipalities in which transportation by motor vehicle in interstate or foreign commerce, not under a common control, management, or arrangement for a continuous carriage or shipment to or from a point beyond the zone, will be partially exempt under section 203 (b) (8) of the act from regulation, shall be, and it is hereby, defined to include the following:

Boston, Mass.; Winthrop, Mass.; Chelsea, Mass.; Revere, Mass.; Everett, Mass.; Malden, Mass.; Medford, Mass.; Somerville, Mass.; Cambridge, Mass.; Watertown, Mass.; Brookline, Mass.; Newton, Mass.; Needham, Mass.; Dedham, Mass.; Milton, Mass.; Quincy, Mass.

(Sec. 203 (b) (8), 49 Stat. 546; 54 Stat. 919; 49 U.S.C., Sup. 303 (b) (8))

It is further ordered, That this order shall become effective 30 days from the date hereof and shall continue in effect until the further order of the Commission.

By the Commission, division 5.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 41–9871; Filed, December 30, 1941; 11:58 a. m.]

[1] Filed as part of the original document.

Notices

DEPARTMENT OF STATE.

TRADE-AGREEMENT NEGOTIATIONS WITH PERU

PUBLIC NOTICE

Pursuant to section 4 of an act of Congress approved June 12, 1934, entitled "An Act to Amend the Tariff Act of 1930", as extended by Public Resolution 61, approved April 12, 1940, and to Executive Order 6750, of June 27, 1934, I hereby give notice of intention to negotiate a trade agreement with the Government of Peru.

All presentations of information and views in writing and applications for supplemental oral presentation of views with respect to the negotiation of such agreement should be submitted to the Committee for Reciprocity Information in accordance with the announcement of this date issued by that Committee concerning the manner and dates for the submission of briefs and applications, and the time set for public hearings.

[SEAL] CORDELL HULL,
Secretary of State.

DECEMBER 29, 1941.

[F. R. Doc. 41–9852; Filed, December 30, 1941; 11:31 a. m.]

Committee for Reciprocity Information.

TRADE-AGREEMENT NEGOTIATIONS WITH PERU

PUBLIC NOTICE

Closing date for submission of briefs, January 24, 1942, closing date for application to be heard, January 24, 1942, public hearings open, February 2, 1942.

The Committee for Reciprocity Information hereby gives notice that all information and views in writing, and all applications for supplemental oral presentation of views, in regard to the negotiation of a trade agreement with the Government of Peru, of which notice of intention to negotiate has been issued by the Secretary of State on this date, shall be submitted to the Committee for Reciprocity Information not later than 12 o'clock noon, January 24, 1942. Such communications should be addressed to "The Chairman, Committee for Reciprocity Information, Tariff Commission Building, Eighth and E Streets NW., Washington, D. C."

A public hearing will be held beginning at 10 a. m. on February 2, 1942, before the Committee for Reciprocity Information, in Room 105 (Conference Room), the National Archives Building, Pennsylvania Avenue between Seventh and Ninth Streets NW., where supplemental oral statements will be heard.

Six copies of written statements, either typewritten or printed, shall be submitted, of which one copy shall be sworn to. Appearance at hearings before the Committee may be made only by those persons who have filed written statements and who have within the time prescribed made written application for a hearing, and statements made at such hearings shall be under oath.

By direction of the Committee for Reciprocity Information this 29th day of December 1941.

FELTON M. JOHNSTON,
Secretary.

DECEMBER 29, 1941.

List of Products on Which the United States Will Consider Granting Concessions to Peru

NOTE: The rates of duty or import tax indicated are those now applicable to products of Peru. Where the rate is one which has been reduced pursuant to a previous trade agreement by 50 percent (the maximum permitted by the Trade Agreements Act) it is indicated by the symbol MR. Where a rate has been bound free of duty in a previous trade agreement, it is indicated by the symbol B.

For the purpose of facilitating identification of the articles listed, reference is made in the list to the paragraph numbers of the tariff schedules in the Tariff

Act of 1930, or, as the case may be, to the appropriate sections of the Internal Revenue Code. The descriptive phraseology is, however, in many cases limited to a narrower field than that covered by the numbered tariff paragraph or section in the Internal Revenue Code. In such cases only the articles covered by the descriptive phraseology of the list will come under consideration for the granting of concessions.

In the event that articles which are at present regarded as classifiable under the descriptions included in the list are excluded therefrom by judicial decision or otherwise prior to the conclusion of the agreement, the list will nevertheless be considered as including such articles.

List of products on which the United States will consider granting concessions to Peru

United States Tariff Act of 1930 paragraph	Description of article	Present rate of duty	Symbol
35	Pyrethrum on insect flowers, and derris, tube, or tuba root, all the foregoing which are natural and uncompounded, but advanced in value or condition by shredding, grinding, chipping, crushing, or any other process or treatment whatever beyond that essential to proper packing and the prevention of decay or deterioration pending manufacture, not containing alcohol.	10% ad val.	
35	Barbasco or cube root, natural and uncompounded, but advanced in value or condition by shredding, grinding, chipping, crushing, or any other process or treatment whatever, beyond that essential to proper packing and the prevention of decay or deterioration pending manufacture, and not containing alcohol.	5 or 10% ad val. (5% rate applies to ground root only).	MR[1]
36	Coca leaves	10¢ per lb.	
302 (c)	Tungsten ore or concentrates	50¢ per lb. on the metallic tungsten contained therein.	
377	Bismuth	7½ ad val.	
404	Cedar commercially known as Spanish cedar, granadilla, mahogany, rosewood, and satinwood: In the form of sawed boards, planks, deals, and all other forms not further manufactured than sawed, and flooring.	15% ad val. (plus a tax of $3.00 per thousand feet, board measure, under Section 3424, Internal Revenue Code; see below).	
501	Sugars, tank bottoms, sirups of cane juice, melada, concentrated melada, concrete and concentrated molasses, testing by the polariscope not above 75 sugar degrees, and all mixtures containing sugar and water, testing by the polariscope above 50 sugar degrees and not above 75 sugar degrees.	1.284375¢ per lb.	
	And for each additional sugar degree shown by the polariscopic test.	0.028125¢ per lb. additional, and fractions of a degree in proportion.	
778	Ginger root, candied, or otherwise prepared or preserved	20% ad val.	
781	Spices and spice seeds: Ginger root, not preserved or candied, ground.	5¢ per lb.	
783	Cotton having a staple of one and one-eighth inches or more in length.	7¢ per lb.	
1001	Flax straw	$1.50 per ton	MR
1001	Flax, not hackled	¾¢ per lb.	MR
1001	Flax, hackled, including "dressed line"	1½¢ per lb.	MR
1001	Flax tow and flax noils	½¢ per lb.	MR
1001	Hemp and hemp tow	2¢ per lb.	
1001	Hackled hemp	3½ per lb.	
1102 (b)	Hair of the alpaca, llama, and vicuna:		
	In the grease or washed	34¢ per lb. of clean content.	
	Scoured	37¢ per lb. of clean content.	
	On the skin	32¢ per lb. of clean content.	
	Sorted, or matchings, if not scoured	35¢ per lb. of clean content.	
1504 (b) (1)	Hats and hoods, composed wholly or in chief value of the fiber of the *carludovica palmata*, commercially known as toquilla fiber or straw; and not blocked or trimmed, and not bleached, dyed, colored, or stained.	12½% ad val.	MR
1602	Pyrethrum or insect flowers, natural and uncompounded and in a crude state, not advanced in value or condition by shredding, grinding, chipping, crushing, or any other process or treatment whatever beyond that essential to proper packing and the prevention of decay or deterioration pending manufacture, not containing alcohol.	Free.	
1609	Cochineal, and extracts thereof, not containing alcohol	Free.	

[1] The rate of duty on natural and uncompounded barbasco or cube root, advanced in value by grinding, was reduced from 10% to 5% ad valorem in the trade agreement with Venezuela, effective December 16, 1939.

United States Tariff Act of 1930 paragraph	Description of article	Present rate of duty	Symbol
1619	Barks, cinchona or other, from which quinine may be extracted.	Free	B
1654	Coffee, except coffee imported into Pureto Rico and upon which a duty is imposed under the authority of section 319.	Free	B
1670	Dyeing or tanning materials, whether crude or advanced in value or condition by shredding, grinding, chipping, crushing, or any similar process, and not containing alcohol:		
	Tara	Free.	
1681	Furs and fur skins, not specially provided for, undressed:		
	Otter	Free	B
1685	Guano	Free.	
1686	Gums and resins:		
	Leche caspi	Free.	
1697	India rubber, crude, including jelutong or pontianak	Free	B
1697	Gutta balata, crude	Free	B
1719	Minerals, crude, or not advanced in value or condition by refining or grinding, or by other process of manufacture, not specially provided for:		
	Vanadium ore	Free.	
1722	Barbasco or cube root, crude or unmanufactured, not specially provided for.	Free	B
1732	Oils, expressed or extracted:		
	Oiticica	Free.	
1748	Quinine sulphate and all alkaloids and salts of alkaloids derived from cinchona bark.	Free	B
1765	Goat and kid skins, raw	Free.	
1765	Reptile skins, raw	Free	B
1768 (1)	Spices and spice seeds:		
	Ginger root, not preserved or candied, if unground	Free	B
1778	Tagua nuts	Free	B
1779	Tamarinds	Free	B
1803 (1)	Sawed balsa lumber and timber, not further manufactured than planed, and tongued and grooved, not specially provided for.	Free. (Subject to a tax of $1.50 per thousand feet, board measure, under section 3424, Internal Revenue Code; see below.)	B
1803 (2)	Balsa, cedar commercially known as Spanish cedar, granadilla, mahogany, rosewood, and satinwood, in the log.	Free	B

Internal Revenue Code Section	Description of article	Present rate of import tax	
3424	Cedar commercially known as Spanish cedar, granadilla, mahogany, rosewood, and satinwood lumber, rough, or planed or dressed on one or more sides.	$3 per thousand feet, board measure.	
3424	Balsa lumber, rough, or planed or dressed on one or more sides.	$1.50 per thousand feet, board measure.	MR

[F. R. Doc. 41-9851; Filed, December 30, 1941; 11:31 a. m.]

DEPARTMENT OF THE INTERIOR.

Bituminous Coal Division.

[Docket No. A-1239]

In the Matter of a Review of the Minimum Prices Effective for Shipment of Coals by Rail and by River for Delivery in the City of Cincinnati, Ohio (Market Area 19)

Notice of and Order for Hearing

The Division has received communications concerning the coordination of minimum prices effective for shipment of the high volatile coals of District No. 8 by river and by rail into the city of Cincinnati, Ohio (situated in Market Area No. 19). In particular, Solid Fuel Institute, an organization of retailers in Cincinnati, through its manager, Dom J. Schuh, has complained of the relationship between the delivered prices for such coals shipped to retailers all-rail and those shipped to retailers by river, contending that retailers who purchase coal shipped all-rail are prejudiced

to the advantage of retailers who are affiliated with and purchase from producers who ship by river. These complaints have been directed primarily to the provisions of the special price instructions and exceptions affecting shipments by river and ex-river which appear on pages 37, 38 and 40–42 of the Schedule of Effective Minimum Prices for District No. 8, For All Shipments Except Truck, particularly the following:

1. *Definition of river (free alongside) deliveries.* "River (free alongside) deliveries," as used in this Schedule, means:

* * * * *

(c) Deliveries in barges or other floating equipment alongside river docks or other barge unloading facilities to those retail dealers (not located in the Cincinnati, Louisville, Memphis, Chicago, or Minneapolis-St. Paul areas as herein defined), for resale at retail, who operate such river and storage facilities (in which the coal purchased free alongside is stored, when it is stored) adjoin such river docks or other barge unloading facilities. * * *

5. *Price exceptions for retail dealers*—(a) *F. o. b. mine prices.* All sales to retail dealers having facilities, as described under Item 1 (c) of Special River Price Instructions, but who are located within the Cincinnati, Louisville, Memphis, Chicago, or Minneapolis-St. Paul areas, as herein described, shall be made on the basis of an f. o. b. mine price, plus the all-rail or lake (as the case may be) freight rate to the destination, the same as herein described for ex-river movement, except that not more than the following deductions in cents per net ton may be made from the f. o. b. mine price in order that such coal may deliver in barges alongside such retail dealers' barge unloading facilities at delivered prices less than the all-rail or lake delivered price by the amount of these deductions:

Size Groups 1 to 15, inclusive, 24, 25, 26, deduct 60¢.

Size Groups 16 to 23, inclusive, 27, deduct 20¢.

* * * * *

(b) *Base freight rates.* In determining the base delivered price from which these deductions may be made, the published freight rates from the following Freight Origin Groups shall be used:

Cincinnati Area: Freight Origin Groups 61, 123, 150.

* * * * *

(c) *Description of retail dealer areas.* The following are descriptions of the areas to which prices for retail dealers, as referred to in Ex-River Deliveries, Item 5, are applicable:

Cincinnati Area: Both banks of the Ohio River from a point at and on the opposite bank of the River from Silver Grove, Kentucky, downstream to and including a point at and on the opposite bank of the River from Columbia Park, Ohio.

Both banks of the Licking River from a point at and on the opposite bank of the River from DeCoursey, Kentucky, downstream to the confluence of the Licking and Ohio Rivers.

Under section 4 II (b) of the Act, it is the duty of the Division from time to time to review and revise the effective minimum prices in accordance with the standards set forth in sections 4 II (a) and 4 II (b). The Acting Director, accordingly, deems it advisable (a) that a general hearing be held to hear evidence concerning such complaints and related matters, which may be offered by Solid Fuel Institute and other interested persons; and (b) to review, and revise, to the extent that evidence adduced shows it to be necessary, the effective minimum prices and related price instructions and exceptions established for shipment of coals, from District No. 8 and from any other districts, into the Cincinnati area.

It is therefore ordered, That a hearing in the above-entitled matter, under the applicable provisions of the Bituminous Coal Act of 1937, be held on January 28, 1942, at 10 o'clock in the forenoon of that day in a hearing room of the Bituminous Coal Division, at Room 820, United States District Court, Cincinnati, Ohio.

It is further ordered, That Charles S. Mitchell or any other officer or officers of the Division duly designated for that purpose shall preside at the hearing in such matter. The officers so designated to preside at such hearing are hereby authorized to conduct said hearing, to administer oaths and affirmations, examine witnesses, subpoena witnesses, compel their attendance, take evidence, require the production of any books, papers, correspondence, memoranda, or other records deemed relevant or material to the inquiry, to continue said hearing from time to time, and to prepare and submit proposed findings of fact and conclusions and the recommendation of an appropriate order in the premises, and to perform all other duties in connection therewith authorized by law.

Notice of such hearing is hereby given to all persons or entities having an interest in these proceedings. Any person desiring to be admitted as a party to this proceeding or to present evidence may file a petition of intervention, setting forth in detail, and clearly and concisely: the status of such person; the nature of his interest in this matter; whether he believes that the effective minimum prices established for shipment of coals into the Cincinnati area are improper and do not conform with the standards of the Act; if that is his belief, the reasons therefor; and any other facts which he may deem relevant to this matter. In all other respects such petitions of intervention shall conform with the Rules and Regulations Governing Practice and Procedure before the Bituminous Coal Division in Proceedings Instituted Pursuant to section 4 II (d) of the Bituminous Coal Act of 1937. All petitions shall be filed with the Bituminous Coal Division, 734 Fifteenth Street, NW., Washington, D. C., on or before January 21, 1942. The aforesaid Rules and Regulations, so far as practical, shall apply to this proceeding.

All persons are hereby notified that the hearing in the above-entitled matter and any orders entered therein may effect revision in the effective minimum prices for shipment of coals from all districts into the Cincinnati area, and may concern, in addition to the matters specifically referred to herein, other matters necessarily incidental and related thereto which may be raised by the petitions of intervention or otherwise, or which may be necessary corollaries to the matter concerned herewith, and all persons are cautioned to be guided accordingly.

The matter concerned herewith is in regard to a review of the minimum prices and price instructions and exceptions effective for shipment of coals by river, rail, or otherwise to retail dealers and other purchasers in the Cincinnati area.

Dated: December 27, 1941.

[SEAL] DAN H. WHEELER,
Acting Director.

[F. R. Doc. 41–9839; Filed, December 30, 1941; 11:08 a. m.]

[Docket No. B–135]

IN THE MATTER OF FRANK W. MILLIRON (MILLIRON COAL COMPANY), ALSO KNOWN AS FRANK W. MILLIRON, AN INDIVIDUAL DOING BUSINESS AS MILLIRON COAL COMPANY, CODE MEMBER, DEFENDANT

ORDER POSTPONING HEARING

The above-entitled matter having been heretofore scheduled for hearing at 2:00 o'clock in the afternoon of January 12, 1942, at Room 323, Post Office Building, Altoona, Pennsylvania; and

The Acting Director deeming it advisable that said hearing should be postponed;

Now, therefore, it is ordered, That the hearing in the above-entitled matter be postponed from 2:00 o'clock in the afternoon of January 12, 1942, until 10:00 o'clock in the forenoon of January 16, 1942, at Room 323, Post Office Building, Altoona, Pennsylvania, and before the officers previously designated to preside at said hearing.

Dated: December 29, 1941.

[SEAL] DAN H. WHEELER,
Acting Director.

[F. R. Doc. 41–9840; Filed, December 30, 1941; 11:08 a. m.]

[Docket No. A–810]

PETITION OF THE CITY OF DETROIT FOR AMENDMENT AND MODIFICATION OF THE MARKETING RULES AND REGULATIONS REGARDING PENALTY AND PREMIUM CONTRACTS

OPINION CONCERNING EXCEPTIONS TO THE EXAMINER'S REPORT AND ORDER DISMISSING EXCEPTIONS AND MOTIONS FOR TEMPORARY RELIEF

The original petition in this matter was filed by the City of Detroit, pursuant to section 4 II (d) of the Bituminous Coal Act of 1937, with the Bituminous Coal Division. The petition requested that Rule 6 of Section VIII of the Marketing Rules and Regulations be amended so as to permit political subdivisions of States to enter into penalty and premium contracts without regard to the require-

ment that the aggregate contract price shall not be below the applicable minimum price.[1]

Pursuant to an Order of the Director dated April 29, 1941, a hearing in this matter was held on May 28 and 29, 1941, before Charles S. Mitchell, a duly designated Examiner of the Division.

On June 10, 1941, the City of St. Louis, an intervenor, filed a motion for temporary relief. A similar motion was filed on June 14, 1941, by the petitioner, City of Detroit. The Office of the Bituminous Coal Producers Boards for Districts sumers' Counsel") joined in both petitions on June 17, 1941.

One June 23, 1941, the City of Detroit filed a brief in support of its original petition. On June 24, 1941, the Bituminous Coal Producers Boards for Districts Nos. 1 and 11 filed briefs in opposition to the requested relief.

The intervenor, City of St. Louis, filed a brief on June 27, 1941, in support of its petition. On July 3, 1941, Consumers' Counsel filed a supporting brief. On July 17, 1941, the City of New York, whose petition for intervention was filed with the Bituminous Coal Division on May 1, 1941, filed a memorandum adopting the reasons given by the City of Detroit, the City of St. Louis, and Consumers' Counsel in support of the requested relief.

The Examiner, Charles S. Mitchell, submitted Proposed Findings of Fact and Conclusions of Law and Opinion, dated July 12, 1941, in which he recommended that the requested relief be denied. An opportunity was afforded to all parties to file exceptions thereto and supporting briefs. Consumers' Counsel and the City of Detroit filed exceptions to the Examiner's Report and briefs in support thereof.

The Examiner's Report discusses in great detail the features of the penalty and premium contracts as revealed at the hearing and arrived at his conclusion after an analysis of the facts presented there. The method whereby the petitioner purchased coal was presented in detail by the Examiner.

Some of the exceptions filed by the Exceptants were the same and can be jointly discussed. Several concerned themselves with similar matters and can be grouped for the purpose of discussion.

Both Exceptants took their first exception to the Examiner's statement that "Neither the petitioner nor the intervening cities indicated a desire to adopt * * *" the modification to the proposed amendment suggested by the Consumers' Counsel. As the basis for this, both Exceptions point to statements in their *briefs* indicating a desire to accept any amendment. As I read the Examiner's Report and the transcript of the testimony given at the hearing, it appears that the Examiner was referring to the actions of the parties at the *hearing*. It was at that time that the witness for Consumers' Counsel first suggested the modifications of the petitioner's proposed amendment and submitted them as Exhibit 14. None of the parties was forewarned that any amendment other than the one advanced by the petitioner was to be introduced. Under these circumstances the lack of detailed testimony regarding the modification is understandable.

Both Exceptants allege the same reason for their second exception, namely, that the Examiner stated that the witness opposing the petition appeared on behalf of the "District Boards" rather than on behalf of District Board 10. This statement, it is alleged, "is one of the many instances showing a producer-bias on the part of the Examiner,"[2] and "suggests that the testimony of this witness is entitled to more weight than if, as is the fact, he had been offered as a witness solely by and for one District Board."[3] As a matter of record, the attorney who called this witness represented both District Boards Nos. 7 and 10. In addition, this witness was not cross-examined by District Board No. 1[4] and the cross-examination by District Board No. 2 actually augmented the direct examination of this witness.[5]

The City of Detroit's Exception No. 3 is dismissed for the reason that the failure of the Examiner to make a finding that a witness who testified in opposition to the relief requested never sold coal to the City of Detroit, is of little importance to the ultimate discussion here. A person is not disqualified from testifying concerning matters affecting the coal industry because he does not sell to each coal consumer. Probably few, if any, porducers sell all three cities here seeking relief.

The City of Detroit's Exception No. 4, which is an exception to the finding that the premium and penalty contract "is of dubious design" because of "the lack of control over its provisions," must be disallowed. An examination reveals that the statement of the Examiner was not quoted by the Exceptant in its entirety. That statement pointed out that "lack of control over its provisions" is only one reason "among the many other reasons why penalty and premium contract, as used by the petitioner, is of dubious design * * *" That statement must then be read in conjunction with the remainder of the opinion which furnishes adequate support for the statement.[6]

Similarly, the City of Detroit's Exception No. 5, which is an exception to the Examiner's "reference to 'poor and careless' samples," must be disallowed. The reason given for the exception is that "there is nothing in the record about 'poor and careless' samples." The record fails to support this exception. See pages 65 and 142 of the Transcript where the matter was specifically mentioned.

The City of Detroit (Exception No. 6) and Consumers' Counsel (Exception No. 4 (b)) except to the Examiner's statement that "the argument advanced by petitioner that a distinction should be drawn between purchases by municipalities and by private consumers is without sound basis in the record." The Examiner's Report goes on to explain the statement to which the exception was taken. That statement is fully substantiated by the record.[7] And the exception must, therefore, be disallowed. Of course, where it is not inconsistent with the policy of the Act,[8] effort is made to relieve governmental subdivisions from the requirements of the Act. But where such relaxation would impair the attainment of the Act's objective, it may not be allowed.

Exceptions Nos. 7, 8, 9, 11, and 12 of the City of Detroit and Exceptions Nos. 5 and 8 of Consumers' Counsel must be disallowed. A study of the record does not disclose the "many inconsistent statements and arguments" allegedly contained therein. There is adequate support for the statements of the Examiner to which exceptions were taken. Exception No. 8 of Consumers' Counsel, which is taken to the finding that "The effect of granting the requested relief would be to give some of the coals, now in competitive balance, different competitive opportunities with regard to cities using penalty and premium contracts based upon analyses alone," is dismissed for the reason that the evidence also adequately supports the Examiner's statement.[9]

In like manner, Exceptions Nos. 3 (a), 4 (a), 11 (a), and 12 of Consumers' Counsel concern themselves with the failure of the Examiner to make specific findings and must be disallowed. The evidence does not warrant the findings as urged by the Exceptant. With regard to Exception No. 3 (a), the failure of the Examiner to find that the desire of the consumers to assure themselves of the receipt of coal substantially of a quality for which they contract is a sufficient reason for granting the requested relief, is negatived by the record. That points to the same desire on the part of private

[1] The petition contained a proposed amendment, as follows: *Provided, however,* That this prohibition shall not apply to contracts made upon a premium and penalty basis, with the Government of the United States, States or political subdivisions thereof, on which the analysis guaranteed as the basis for determining premiums and penalties is an analysis made by the United States Bureau of Mines, or an analysis on file with the Division made by or for the Bituminous Coal Producers Board for the District in which the mine is located and on which the buyer permits a tolerance before penalties are assessed or premiums paid that are as liberal as A. S. T. M. standards.

[2] Page 2, Exceptions to Examiner's Report by City of Detroit.

[3] Page 4, Exceptions of Consumers' Counsel to the Examiner's Report and Brief in Support Thereof.

[4] Tr. p. 232.

[5] Tr. pp. 233–237. In addition, both District Boards Nos. 1 and 2 deferred their cross-examination of Mr. Jeffords and Mr. Briscoe to that of Mr. Guider. Tr. pp. 280 and 315, respectively.

[6] See, *inter alia*, Tr. pp. 71–72. Cf. Examiner's Report in Docket No. 1608–FD.

[7] The testimony at pages 42, 75, 77, 82, 90–92, 110, 168, 186–189, and 278 are specifically referred to in this connection.

[8] E. g., section 3 (e) of the Act.

[9] See, *inter alia*, Tr. pp. 45, 237, and 248.

consumers. Indeed, in its brief, Consumers' Counsel does not distinguish between the type of customer involved so far as the "need" and "want" of relief are concerned.[10] Moreover, the exception does not take into consideration the many other factors which were involved in the establishment of minimum prices. Similarly, so far as Exception No. 4 (a) is concerned, the desirability of the relief for municipalities, as espoused by petitioner, is equally pertinent for private purchasers. This Exceptant's own brief is positive in its desire not to prevent the same relief from being extended to them. Its concern, however, that a finding was not made that this relief is "especially necessary and desirable for governmental agencies,"[11] attempts to make a distinction which finds inadequate support in the record. With regard to Exception No. 11 (a), the requested finding of Exceptant to the effect that the matter of the fairness of the past or present specifications used by the cities is immaterial on the general question as to whether relief should be granted, ignores certain fundamental facts. Exceptant contends that "This testimony goes to the matter of enforcement or supervision" rather than to the question of whether relief should be granted. I do not agree with this view. I believe that the testimony with regard to the specifications used by the municipalities in purchasing coal is relevant in order to understand the basis for the requested relief and the system under which it might operate.

With regard to Exception No. 12, which was taken to the failure of the Examiner to find that the testimony of the only opposing witness affords no substantial basis for denying the requested relief, overlooks the purpose of the entire hearing. It does not take into account, for example, that the witnesses supporting the position of the petition were subjected to cross-examination which elicited certain information. In addition, petitioner's exhibits were subjected to the interpretation of the parties and the Examiner. Exceptant's statement that "if a producer submits an analysis that shows *'a higher quality of coal than he knew he could deliver'* it is obvious that in the normal functioning of the Coal Division the question of reclassifying that producer's mine will arise * * *"[12] fails of support. The question of reclassification may or may not arise if the sole criterion is that of analysis alone. Especially would it be doubtful of coming to light if the analysis did not show a higher quality of coal than the producer could deliver. Instead of a price reclassification, the more likely procedure would be the imposition of the penalties involved for intentional misrepresentation. The concession by the Exceptant that penalty and premium contracts were common methods of price cutting in the past, coupled at the same time with the argument that at present the industry is under governmental regulation and therefore the conditions under which sales were formerly made should now be different, provides, I conclude, no reason for the allowance of the exception, much less for the allowance of the requested relief. The proposed amendment would not fortify the industry against a recurrence of this same evil.

Exceptions Nos. 3 (b), 9, 10, 11 (b) (which is similar to City of Detroit's Exceptions Nos. 4, 13, and 15 (a)), which are exceptions to statements by the Examiner in so far as they are intended to be a substantive basis for the Examiner's failure to make certain specified findings, must be disallowed. The statements are sound and are adequately supported by the record. It follows, therefore, that, having established the validity of the statements, to deny them their appropriate meaning and effect would be to nullify the purpose of the hearing. The statements having a sound foundation, the effect ascribed to them cannot be so minimized as to render them valueless.

In its Exception No. 3 (b), the Consumers' Counsel states its failure to understand what was meant by the Examiner's reference to "insignificant and variable analyses." If the expression was used to indicate, as I read it to indicate, that the analysis was not of primary importance in considering the many factors involved in the establishment of minimum prices and that it is not constant, the expression is not ill-advised. With regard to Exception No. 9, the contention of the Exceptant that if the use of analyses alone are an unreliable criterion for determining price, "It must be only because the producer did not get the original contract price,"[13] is not strictly true. The hearings in General Docket 15 furnish adequate proof of the many factors involved in fixing prices and refutes this contention. In considering Exception No. 10, the Exceptant discusses what the Examiner's statement "standing alone . . . appears to suggest."[14] Suffice it to say that the statement, like most statements, must be read as a part of the entire report and not as an isolated remark having no connection with the remainder of the opinion. Discussing Exception No. 11 (b), the Exceptant advances the argument that "the bidders are at liberty to refuse to bid if they believe the specifications and conditions of sale to be unreasonable." The evidence devastates this contention with explanations that the specifications actually encourage the producers to guarantee a higher quality of coal than they may be able to deliver. All that can result from such transactions is the imposition of penalties which the producer has already discounted in his bid price. Instead, therefore, of acting as a deterrent, the specifications may well react as a challenge. In considering Exception No. 13, the Exceptant's statement that the finding "must be read in the light of the fact that it is not based upon specific evidence regarding the experience of many cities. Other cities may have been paid substantial premiums," overlooks the fact that this evidence was introduced by the petitioner itself. Its failure to furnish evidence more in accord with its desire is no reason why the Examiner should deliberately stretch outside of the record in order to indulge in conjectures and unsupportable opinions. In fact, the statement seems to be a tacit admission of petitioner's failure to sustain its case. The same tacit admission seems to be apparent in Exception No. 15 (a), where a purported distinction is attempted to be made between the proposed amendment and the modification as suggested by Consumers' Counsel.

Exceptions Nos. 6 (b) and 14 of Consumers' Counsel must also be disallowed. With regard to 6 (b), the reason is fully set forth in the Examiner's Report to the effect that there is a difference between Section X of the Marketing Rules and Regulations and the requested relief. While it is true that the basis for the Examiner's explanation of section X is not developed in the record, that does not detract from the validity of the distinction. The reason is that Section X was not the issue in the proceedings before the Examiner. Likewise, with regard to Exception No. 14, the Examiner's Report clearly supplies a satisfactory explanation of the fundamental purpose and distinction between the provisions regarding substandard coal and the type of coal for which relief is requested here. These two sections of the Marketing Rules and Regulations are designed to operate in separate spheres. That fact is clearly pointed out. The purpose behind the use of the present Marketing Rules and Regulations relating to analyses is not to use the analysis as the basis of any exact deduction in price because one element comprising the analysis fails to measure up to the guaranteed amount. Rather, the purpose is to acquaint the Division with all of the facts surrounding the transaction so that it may take appropriate action with regard thereto, if any is required. To ask the Division to exercise a reasonable measure of control over the making of the sample analyses, would impose a tremendous burden upon the Division as an excuse for the granting of the requested relief. This suggestion by Exceptant, it seems, misconstrues the reasoning of the Examiner which decided the question upon the basis of legal, in addition to practical, factors.

The City of Detroit's Exception No. 10 and Consumers' Counsel's Exception No. 6 (a) are both taken on the findings by the Examiner concerning the legality of

[10] Pages 5 and 6, Exceptions of Consumers' Counsel and Brief in Support Thereof.
[11] Page 10, Exceptions of Consumers' Counsel and Brief in Support Thereof.
[12] Page 26, Exceptions of Consumers' Counsel and Brief in Support Thereof.
[13] Page 19, Exceptions of Consumers' Counsel and Brief in Support Thereof.
[14] Page 21, Exceptions of Consumers' Counsel and Brief in Support Thereof.

the requested relief. The conclusion expressed by the Examiner is inescapable and I affirm it. The attempt of the City of Detroit to accentuate the words "most likely" in the Examiner's statement that "the granting of petitioner's prayer would most likely permit the purchase of coal at a price below the effective minimum price * * *" as an illustration of the Examiner's confusion and uncertainty is difficult to take seriously. Similarly, Consumers' Counsel seizes upon the use of the word "might" in the phrase concluding that statement of the Examiner to the effect that the granting of petitioner's prayer thus "might operate to nullify one of the chief objectives of the Coal Act * * *" as indicative of doubt in the Examiner's mind. Those words, as I interpret them, are obviously meant to apply to the probability that coal will be sold at the minimum price level and that therefore penalties will result in sales below the effective minimum prices. It is obvious that the words do not connote uncertainty. It should be evident that if the cities' purchases are made at the minimum prices and are subjected to penalties, the net result will be that the sales will be at prices below the minimum prices. It is that result which the Examiner points to without any untoward confusion of thought.

By the same token, Exception No. 7 of Consumers' Counsel must be disallowed. The statement to which that exception is taken is as follows: "Moreover, it is clearly stated in the Act that the established prices must be maintained so that the rate per ton to the producers will equal as nearly as may be the weighted average of the total costs of production per net ton. To permit a departure from the price provisions of the Act—even if authorized—would distort this realization." [15] The citation by Exceptant of instances which allegedly do "distort" realization does not afford a sound reason to permit a practice that assuredly will result in a distortion. I deem it unnecessary at this time to point out wherein those cases of alleged distortion differ from the instant matter.

Exception No. 15 (c) is taken by Consumers' Counsel for the reason that the Examiner does not find and conclude that the amendment "as herein proposed by the City of Detroit" is inconsistent with any of the provisions of the Coal Act, but only finds that it "would contravene the purposes underlying the establishment of effective minimum prices pursuant to the Bituminous Coal Act of 1937." The purpose of this emphasis and attempted distinction by Exceptant is to show that the Examiner did not take into consideration the suggestions to the proposed amendment by the Consumers' Counsel. This point has already been determined by me, but it must be emphasized at this point that the reason for the Examiner's opinion is not so much the fact that the suggestions of Consumers' Counsel were not well considered, but that the exclusion of the condition in Rule 6 of section VIII of the Marketing Rules and Regulations would, as the Examiner pointed out, contravene the purposes underlying the establishment of effective minimum prices pursuant to the Bituminous Coal Act of 1937.

I have carefully re-examined the arguments of the various parties to this proceeding, the Examiner's Report, and the entire record, and upon the basis thereof I find that for the reasons set forth herein the exceptions to the Proposed Findings of Fact and Conclusions of Law and Opinion of the Examiner taken by the Petitioner and the Bituminous Coal Consumers' Counsel are not well taken and should be disallowed. It follows that the motions for the granting of temporary relief must be denied.

It is, therefore, ordered, That the exceptions of the City of Detroit and of the Bituminous Coal Consumers' Counsel to the Examiner's Report be, and they are, hereby disallowed.

It is further ordered, That the motions for temporary relief of the City of St. Louis, the City of Detroit, and the Bituminous Coal Consumers' Counsel be, and the same are, hereby denied.

It is further ordered, That the Proposed Findings of Fact and Conclusions of Law and Opinion of the Examiner be, and the same hereby are, adopted as the Findings of Fact and Conclusions of Law of the Acting Director.

It is further ordered, That the relief requested by the petition herein be denied.

Dated: December 27, 1941.

[SEAL] DAN H. WHEELER,
Acting Director.

[F. R. Doc. 41-9841; Filed, December 30, 1941; 11:08 a. m.]

DEPARTMENT OF AGRICULTURE.

Surplus Marketing Administration.

[Docket No. AO 71-A 7]

NOTICE OF HEARING WITH RESPECT TO PROPOSED AMENDMENTS TO ORDER NO. 27, AS AMENDED,[1] AND TO THE TENTATIVELY APPROVED MARKETING AGREEMENT REGULATING THE HANDLING OF MILK IN THE NEW YORK METROPOLITAN MILK MARKETING AREA, INCLUDING A PROPOSAL TO ENLARGE THE MARKETING AREA TO INCLUDE CERTAIN ADDITIONAL TERRITORY IN THE STATE OF NEW YORK AND CERTAIN COUNTIES IN THE STATES OF NEW JERSEY AND PENNSYLVANIA

Notice is hereby given of a hearing to be held beginning at 9:30 a. m., e. s. t., January 7, 8, and 9, 1942, at the St. George Hotel, Brooklyn, New York; at 9:30 a. m., e. s. t., January 12, 13, and 14, 1942, at the Hotel Martin, Utica, New York; at 9:30 a. m., e. s. t., January 15, 16, and 17, 1942, at the Arlington Hotel, Binghamton, New York; and, if necessary to complete the hearing, at 9:30 a. m., e. s. t., January 19 and 20, 1942, at the Hotel Martin, Utica, New York, with respect to proposed amendments to the tentatively approved marketing agreement and to Order No. 27, as amended, regulating the handling of milk in the New York metropolitan milk marketing area.

This notice is given pursuant to the provisions of Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, and of the General Regulations, Series A, No. 1, as amended, of the Agricultural Adjustment Administration, United States Department of Agriculture.

This public hearing is for the purpose of receiving evidence with respect to the following amendments proposed by interested parties and filed with the Hearing Clerk, Office of the Solicitor, in response to a letter dated December 16, 1941, signed by the Chief, Dairy Division, Surplus Marketing Administration, and addressed to all handlers subject to Order No. 27, as amended:

I

Amendments proposed by the Metropolitan Cooperative Milk Producers' Bargaining Agency, The Dairy Farmers Union, Associated Independents, Dairymen's League Cooperative Association, Ins., and Eastern Milk Producers Cooperative Association, Inc.:

1. Amend § 927.1 (c) to read:

(c) New York and New Jersey metropolitan and incidental milk marketing area means the City of New York, the counties of Nassau, Suffolk (except Fisher's Island) and Westchester, all in the State of New York, and all of the territory in the State of New York lying southeast of the following boundaries:

The west and north lines of Chemung County, and west and north lines of Tompkins County and the west line of Cayuga County to a point ten miles north of the main line New York Central Railroad tracks; continuing from there in an easterly direction ten miles north of the main line New York Central Railroad tracks to Schenectady, from there easterly ten miles north of the Mohawk River to the west line of Rensselaer County; thence along the west and north lines of Rensselaer County to the State line;

And the following counties in Pennsylvania: Bradford, Lycoming, Sullivan, Union, Snyder, Northumberland, Schuylkill, Carbon, Luzerne, Lackawanna, Wayne, Susquehanna, Wyoming, Columbia, Monroe and Montour;

And the following territory in the State of New Jersey: the territory included within the boundary lines of the counties of Bergen, Essex, Hudson, Union, Passaic, Morris, Middlesex, Ocean and Mon-

[15] Proposed Findings of Fact and Conclusions of Law and Opinion of the Examiner, page 8.

[1] 5 F.R. 1258.

mouth; and is hereinafter called the "marketing area".

2. Amend § 927.4(a)(3) establishing prices for Class I milk in such a manner as to assure more immediate reflection of factors influencing farm costs by establishing within the order an index of farm costs for farms of the New York Milk Shed, and providing in the order for mobility and flexibility of prices for Class I milk in accordance with costs and cost trends as shown by such index. The price for Class I milk under present conditions of costs to be fixed at not less than $3.86 per cwt. for milk of 3.5 butter fat content at the 201–210 mile zone.

Or, in the alternative:

Amend § 927.4 (a) (3) to establish prices for Class I milk in accordance with special findings of the Commissioner of Agriculture of the State of New York, and of the Secretary with respect to the following:

(a) The reasonable value of and the prevailing rates of wages paid for farm labor on dairy farms supplying milk to the marketing area, and the amount of labor required to produce 100 pounds of approved milk on such farms.

(b) Prevailing prices of feeds at stores within the production area, and the amount of feed required to produce 100 pounds of market milk.

(c) The prevailing prices currently paid for hay within the production area, and the amount of hay required to produce 100 pounds of milk.

(d) The prevailing cost of producing ensilage, and the amount of ensilage required to produce 100 pounds of milk.

(e) The prevailing costs of things farmers buy other than feed stuffs together with other miscellaneous costs, and the amount of such miscellaneous costs properly allocated to the cost of producing 100 pounds of milk.

And, on the basis of the above findings:

(f) The estimated prevailing cost of producing 100 pounds of milk for the marketing area. Such findings to be made from time to time on the basis of the evidence adduced at the hearing herein requested and at other further hearings, in order to provide a basis for fixing and appraising producer price returns, and in order to provide experience for the establishment of a mobile index of New York Milk Shed farm costs for incorporation in the milk order at some future time.

Or, in the alternative, the following:

Amend § 927.4 (a) (3) to read as follows:

(3) For Class I milk, the price per hundredweight during each month shall be, except as specified in sub-paragraphs (4), (5) and (6) of this paragraph, as set forth in the table in this sub-paragraph: *Provided, however,* That in any month when the result of dividing either the Class III or the Class IV–B price for the preceding month by 4.2 higher than the average butter price announced pursuant to § 927.2 (3) (1), it shall be used in place thereof in applying the following table:

92-score butter, wholesale, at New York, average announced pursuant to § 927.2 (e) (*cents per pound*):	*Class I price* (*dollars per cwt.*)
Under 25	$2.66
25 or over, but under 30	2.86
30 or over, but under 35	3.06
35 or over, but under 40	3.26
40 or over, but under 45	3.46
45 or over, but under 50	3.66
50 or over, but under 55	3.86
55 or over, but under 60	4.06
60 or over, but under 65	4.26
65 or over, but under 70	4.46
70 or over	4.66

3. Amend § 927.6 (a) by eliminating therefrom subdivision (2) and renumbering the following subdivisions.

4. Amend § 927.7 (b) by adding a new subdivision (3) to read as follows:

(3) Plus 10 cents for all milk delivered by such producer to a pasteurizing and bottling plant located in a city of 30,000 or more inhabitants according to the 1940 census, from a farm located more than five miles from such plant, other than milk which has been paid a differential under the preceding subdivision.

5. Amend § 927.1 (h) by striking out the words following the words "New York."

6. Amend § 927.3 (b) (3) to read:

(5) Class III–A milk shall be all milk the butterfat from which leaves or is on hand at a plant in the form of evaporated milk in hermetically sealed cans, sweetened condensed milk, milk chocolate, and other candy products, milk powder, malted milk powder, or cheeses other than those specified in paragraphs (10) and (12).

7. Amend § 927.3 (b) by adding the following new paragraphs and renumbering present paragraphs (6) and (7) as (11) and (12):

(6) Class III–B milk shall be all milk the butterfat from which is delivered as cream to a purchaser outside New York and New England the classification of which is not established in some other class.

(7) Class III–C milk shall be all milk the butterfat from which leaves a plant in the form of frozen desserts or homogenized mixtures used in frozen desserts, provided the frozen desserts in both instances were sold and remained in New York State outside New York City.

(8) Class III–D milk shall be all milk the butterfat from which leaves a plant in the form of frozen desserts or homogenized mixtures used in frozen desserts, provided the frozen desserts in both instances were sold and remained outside New York State and the New England States.

(9) Class III–E milk shall be all milk the butterfat from which is delivered as cream to a purchaser in the New England States.

(10) Class III–F milk shall be all milk the butterfat from which leaves or is on hand at a plant in the form of cream cheese.

8. Amend § 927.4 (a) by adding a new paragraph (11) as follows, and changing the present paragraphs (11) and (12) to (12) and (13):

(11) For milk in Classes III–B, III–C, III–D, III–E and III–F, the prices, subject to the adjustment, if any, computed pursuant to paragraph (d) of this section, shall be prices computed by the market administrator by dividing the cream quotation for the respective class as set forth in the following table by 33.48, multiplying the result by 3.5 and subtracting 16 cents making allowance; and subtracting transportation allowances, for Classes III–B, III–D and III–E of 5.2 cents, plus an additional cent for each 50 miles or fraction thereof, in excess of 250 miles that the plant where the cream was made is distant, in case of Class III–E, from the State House at Boston, or is distant, in case of Classes III–B and III–D, from the City Hall at Philadelphia, and in case of Classes III–C and III–F, 2½ cents if cream is delivered to the plant of utilization.

Class	Reporting authority	Price designation (all per 40 quart can)
III–B	U.S.D.A.	"Pennsylvania and Newark" cream (midpoint).
III–C	N.Y.S., D.A. & M.	"Cream for Up-state ice cream."
III–D	U.S.D.A.	"N. J. uninspected cream" "Penn. uninspected cream" (simple average).
(Unless and until this quotation is established, the price of this class shall be the III–B price.)		
III–E	U.S.D.A.	"Bottling quality cream at Boston from plants not under Orders 4 and 27."
III–F	N.Y.S., D.A. & M	"Cream for cream-cheese North-east."

9. Amend Section 927.4 by adding a new paragraph (e) as follows:

(e) The minimum prices for Classes II–C, III–B, III–C, III–D, III–E, III–F and IV–A shall be minus ------ cents per cwt. as to any milk manufactured and marketed by a cooperative association of producers in such classes; which was received from producers by such cooperative association at plants operated by it; which was offered by such association for sale at such class prices, subject to differentials applicable pursuant to Sec. 927.4 (b) and (c) f. o. b. receiving or cream plant, by public notice posted on the bulletin board of the market administrator at least ten days before the first of the month during which such milk was received, specifying the quantities and receiving plants; and which was not purchased by some other handler as so offered by written notice of such purchase delivered to the market administrator and the cooperative association making the offer five days before the first of the month covered by the offer, and as to any such milk not

so purchased by some other handler and classified by the offering cooperative association in Class IV–A, diversion payments shall be allowable in any month of the year. When milk is so offered at a cream plant, it may only be purchased in the form of cream, in which event 19 cents shall be added to the price as making allowance. Any such milk so purchased by such other handler shall nevertheless remain available for Class I and Class II–A under the provisions of § 927.7.

10. Strike out present first paragraph in paragraph (e) of § 927.7 and substitute in place thereof the following:

(e) *Cooperative payments.* (1) For the purposes of this paragraph, the word "cooperative" means any cooperative association whose members consist of producers, and any federation of such cooperative associations. When applied to a federation of cooperative associations, the words "member" and "patron" means, respectively, the members and the patrons of the cooperative associations which themselves constitute the members of the federation. Any cooperative may apply to the Secretary for a determination of its qualifications to receive payments pursuant to this paragraph.

11. Strike out all of paragraph (e) of § 927.7 after the first and second paragraphs and substitute in place thereof the following:

The Market Administrator shall make the payments authorized by this paragraph, or issue credit therefor, out of the producer-settlement fund on or before the 25th day of each month, subject to verification of the reports upon which such payment is based.

The payments set forth below shall be made to any cooperative determined to conform to the following requirements, provided that no such cooperative nor any member thereof shall concurrently collect payments under more than one provision of this paragraph:

(i) The cooperative is incorporated, either with or without capital stock;

(ii) Substantially all of the memberships or shares of capital stock carrying rights to vote in the meetings of the corporation are held by persons who produce milk for sale, or by other cooperatives which conform to the provisions of this sub-paragraph;

(iii) Rights to vote or to be represented in the meetings of the corporation are held by members, including all holders of voting shares of capital stock, either equally or in proportion to their patronage of the corporation;

(iv) Dividends or interest on all forms of capital investment (such as capital stock, certificates of interest and certificates of indebtedness issued to patrons, but not excluding other forms) are limited to 8 per cent per year;

(v) Except in case of cooperatives qualified under subdivision (2) of this section all proceeds from the marketing of milk and all other income, after the deduction of expenses including depreciation, and after the deduction of reasonable reserves, is distributed annually, or more frequently, either directly or indirectly, to all patrons in proportion to their patronage in the form of (a) cash, or (b) evidences of capital investment, or (c) individual credits to the patrons clearly shown in the records of the corporation or of the cooperatives constituting a federation: *Provided,* That nothing herein contained shall prevent a cooperative from blending the proceeds of its sales in all markets and establishing such differentials as may be permitted under its contract with its producers;

(vi) All the milk of its members and patrons is sold by the Cooperative and more milk is handled or sold for members than for non-members;

(vii) The corporation is free from direct or indirect control or domination by any handler other than a cooperative association, either through the furnishing of capital or through any other means or method whatever.

(2) Payment shall be made at the rate of _____ cents per hundredweight of net pooled milk caused to be delivered by a cooperative to the plant of a handler provided the cooperative is the marketing agent for 60 percent of the producers delivering to such plant.

(3) Payment shall be made at the rate of _____ cents per hundredweight of net pooled milk reported and collected for by a cooperative that:

(i) Has at least 1,000 members who are producers;

(ii) Sells not more than 75 percent of its milk in any month to one handler, including its affiliates and subsidiaries;

(iii) Contracts for the sale of no milk in classes other than I and II–A for longer than monthly periods;

(iv) Systematically checks the weights and tests of milk delivered by its members;

(v) Accumulates at a rate of at least _____ cents (same as amount of payment under (3)) per hundredweight of milk delivered by its producers, either from payments hereunder or from its producers or from both, funds invested in cash or readily marketable securities or controlling interests in plants approved for receiving milk to be sold in the marketing area, until the total amount equals $1.00 or more per hundredweight of milk delivered by its producers during the next preceding month or the preceding June, whichever is greater;

(vi) Issues and distributes a publication conveying market information to its producers at least once a month;

(vii) Blends the net proceeds of all its sales;

(viii) Has contracts with not less than half of the producers making regular deliveries to each of ten plants;

(ix) Maintains an adequate staff of persons with suitable training and performs educational, legal, statistical, and other services that contribute to the orderly and efficient marketing of milk and to more effective organization of producers for these purposes.

(4) Payments shall be made at the rate of _____ cents per hundredweight of net pooled milk at plants operated by a cooperative which meets all the requirements set forth in (iii), (iv), (vi), and (vii) of (e) (3) of this section and which accumulates at a rate of at least _____ cents (same as the amount of payment under (4)) per hundredweight of milk delivered by its producers, either from payments hereunder or from its producers or from both, an investment in plants approved for receiving milk to be sold in the marketing area, until the total amount equals at least 75 percent of the book value thereof, provided that at no time shall such investment constitute less than 20 percent of such value.

(5) Payments shall be made at the rate of _____ cents per hundredweight of net pooled milk reported by a cooperative or federation of cooperatives that:

(i) Has at least 2,000 members who are producers;

(ii) Contracts for the sale of no milk in Classes other than I and II–A for longer than monthly periods;

(iii) Systematically checks the weights and tests of milk delivered by its members;

(iv) Issues and distributes a publication conveying market information to its producers at least once a month;

(v) Blends the net proceeds of all its sales;

(vi) Maintains a central sales organization;

(vii) Maintains an adequate staff of persons with suitable training and performs educational, legal, statistical, and other services that contribute to the orderly and efficient marketing of milk and to more effective organization of producers for these purposes;

(viii) Has contracts with not less than half of the producers making regular deliveries to each of ten plants;

(ix) Owns and operates plants approved by a health authority in the marketing area and located at distances greater than 170 miles from New York City, capable of converting into cream and products manufactured from skim milk not less than 35% of the quantity of milk delivered by its members in the preceding June; provided that no plants hereafter equipped nearer than 225 miles from New York City shall be considered in applying this requirement;

(x) Owns and operates plants, which may include any or all of those described in subparagraph (ix) above, capable of receiving not less than half the quantity of milk delivered by its members in the preceding June;

(xi) Accumulates at a rate of at least _____ cents (same as amount of payment under (5)) per hundredweight of milk delivered by its producers, either from payments hereunder or from its producers or from both, an investment

in plants approved for receiving milk to be sold in the marketing area, until the total amount equals at least 75% of the book value thereof, provided that at no time shall such investment constitute less than 20% of such value;

(xii) Complies with requests to the Market Administrator to supply to any handler milk for use in the marketing area in Classes I and II–A under the following provisions when the cooperative has milk available in excess of regular or contract sales in those classes:

1. Quantities of not less than 17,000 pounds per shipment for cash on delivery.

2. Transportation supplied at option of buyer and at his expense.

3. Butterfat content nearest to that desired by the purchaser which the cooperative has available at plants whose supply would otherwise be utilized in some other class.

4. Sales price equal to that specified in § 927.4 (a) (3) subject to the applicable differentials pursuant to (a) § 927.4 (c); (b) the butterfat differentials set forth in § 927.4 (b); (c) plus the payments provided for in § 927.8; and (d) plus not more than the following charges for handling through the country plant:

	Cents per cwt.	
	Spot sales	*Monthly contract*
January through March	27	22
April through June	22	17
July through October	27	22
November through December	32	27

(xiii) Complies with requests of the Market Administrator to supply cream to any handler for distribution in the marketing area at the following rate for a 40-quart can of 40 per cent cream f. o. b. the country plant:

Class price set forth in § 927.4 (a) (7) plus or minus the applicable transportation differential, minus the adjustment, if any, computed pursuant to paragraph (d) of § 927.4, plus 21 cents times 9.5666.

(6) Payments shall be made at the rate of _____ cents per hundredweight of net pooled milk reported by a cooperative that meets all the requirements set forth in subdivisions (ii), (iii), (iv), (v), (vi), (vii), (viii), (ix), (x), (xi), (xii) and (xiii) of (e) (5) of this section and also the following:

(i) Has at least 10,000 members who are producers;

(ii) Has contracts with not less than half the producers supplying milk to the plants of any handler to whom more than 25% of its sales are made in any month;

(iii) Has capacity in plants operated as described in (e) (5) (ix) capable of converting into cream and products manufactured from skim milk not less than ten per cent of all the milk in the last June pool below Class I.

12. Amend § 927.7 (a) by striking out all of said paragraph after the word "Provided" in the fifth line and inserting in lieu thereof the following:

That each handler which is also a cooperative marketing association determined by the Secretary to be qualified under the Capper-Volstead Act, may, with respect to producers or cooperative marketing associations who are under contract with such association make distribution, in accordance with the contract between the association and such producers or marketing associations, of the net proceeds of all its sales in all markets in all use classifications.

13. Amend § 927.7 (f) (6) (ii) (c) to read:

(c) Plus not more than the following charges for handling through the country plant:

	Cents per cwt.	
	Spot sales	*Monthly contract*
January through March	27	22
April through June	22	17
July through October	27	22
November through December	32	27

14. Amend § 927.4 by changing paragraph (d) to read as follows:

(d) *Skim milk charge.* All skim milk obtained according to the following yield table from the manufacture of cream used in any classification shall be priced per cwt. of skim milk according to the following provisions figuring a yield of 91¼ pounds of skim from a hundredweight of milk containing 3.5% butter fat plus ¼ pound of skim milk for each point of butter fat below 3.5 and minus ¼ pound of skim milk for each point of butter fat above 3.5.

(1) For skim milk distributed for fluid consumption alone or in combination with other products except cream distributed for fluid consumption as cream either sweet or sour, the price shall be the Class I price less $1.40.

(2) For all skim milk which the handler shows was not used as described in paragraph 1, the price shall be computed by the market administrator as follows:

(Present formula except change last figure to 8.3.)

15. Amend § 927.4 (a) (7) and (11) by taking out the words "subject to the plus adjustment if any, computed pursuant to paragraph (d) of this section,"

16. Amend § 927.6 (a) by adding a new paragraph (9) and changing the number of present paragraph 9 to 10, new paragraph (9) to read as follows:

"(9) Add all charges under section 927.4 (d)."

17. Amend § 927.7 to read:

§ 927.7 *Payment to producers*—(a) *Time of payment.* On or before the 10th day of each month each handler shall make a payment to each producer for one-half of the milk delivered by such producer during the preceding month at 90% of the amount estimated by the market administrator as the uniform price for such month subject to the differentials provided in Section 927.4 (c) and on or before the 25th day of each month, each handler shall make a payment to each producer for all milk delivered by such producer during the preceding month after taking credit for the payment made on the 10th day of the month, at not less than the uniform price * * * (Continue as in present Order).

18. Amend § 927.4 (a) (2) to read:

(2) Payment of the minimum prices for milk received direct from producers shall be in accordance with § 927.7. Any handler who purchases or receives during any month milk from a cooperative association of producers which is also a handler, shall pay such cooperative association in full for such milk at not less than the minimum class prices applicable pursuant to this section, on the 1st day of the following month for all milk purchased or received during the first half of the month and on the 15th day of the following month for all milk purchased or received during the second half of the month.

19. Amend § 927.3 (b) (6) to read:

(6) Class IV–A milk shall be all the milk, the butterfat from which leaves or is on hand at a plant in the form of butter which is not used in the form of frozen desserts or in the form of homogenized mixtures used in frozen desserts.

20. Amend § 927.4 (a) (10) by striking out the following evaporated milk plants:

Mt. Pleasant, Mich.; Sparta, Mich.; Hudson, Mich.; Wayland, Mich.; Coopersville, Mich.; Coldwater, Ohio; Delta, Ohio.

21. Amend the order so as to include a definition of "new producer".

22. Amend the order so as to provide a method of making individual producers responsible for unbalanced excesses of production by setting up a system of price differentials for level production. If necessary, further amend the order by revising the provisions fixing prices to producers on the basis of mileage zones and the provisions setting up near-by location differentials.

II

Proposed amendments submitted by the New York Metropolitan Milk Distributors' Bargaining Agency:

1. Change the definition of Class III milk (which is presently contained in § 927.3 (b) (5) of the order as now in force) to eliminate from such classification cream cheese and milk the butterfat from which leaves a plant in the form of frozen desserts or in the form of homogenized mixtures used in frozen desserts and all milk the butterfat from which is delivered as cream.

2. With respect to Class III milk (so amended as above), change the price provision now contained in § 927.4 (a)

(10) so as to substitute the figure 7¢ for the figure 10¢ now appearing in such provision.

3. Create new classifications in respect of the uses proposed to be eliminated from the present definition of Class III milk.

4. Location differentials should not be applicable to milk of a producer which is of less than 3.5 percent butterfat content based on the monthly average test of such producer.

To accomplish this, § 927.6 (a) (8) should be amended by adding at the end thereof the following:

Provided however, That in each of the foregoing cases such deductions shall be made only with respect to milk received from producers which is of a butterfat content of at least 3.5% based on the monthly average of the test of the milk of such producer delivered to the handler.

and also § 927.7 (b) (2) should be amended by adding at the end thereof:

, such sums, however, to be payable to a producer only if the said milk delivered by such producer had a butterfat content of at least 3.5% based on the monthly average of the test of the milk delivered by such producer.

5. Revise the compensable hauling distances and allowances therefor in § 927.7 (f) (3) so as to make the compensable hauling distances and allowances more nearly in line with the experience, needs and costs of hauling milk entitled to diversion payments.

6. Amend § 927.7 (f) (4) so that the claim for diversion payments will be adjusted for movements to a zone farther from as well as to a zone nearer to New York City than the zone of the plant from which the movement was made.

7. Revise the prices and pricing policies of milk used for cream in and outside of the marketing area, in line with market and competitive conditions and needs.

III

Proposed amendments submitted by the Southern Regional Members of the Association of Ice Cream Manufacturers of New York State:

1. Amend § 927.3 (b) (3) to read as follows:

(3) Class II–B milk shall be all milk the butterfat from which leaves or is on hand at a plant in the form of plain condensed milk, or, except as set forth in sub-paragraph ( ) of this paragraph, frozen desserts or homogenized mixtures.

2. Amend § 927.3 (b) to include a new subparagraph (5):

(5) Class II–D milk shall be all milk the butterfat from which leaves or is on hand at a plant in the form of cream which is subsequently held in a licensed cold storage warehouse at an average temperature below zero degrees Fahrenheit for 7 consecutive days, and below 15 degrees Fahrenheit for at least 21 days thereafter, as shown by charts of a recording thermometer and which is subject at all times to being inspected by a representative of the market administrator to determine the physical presence of the cream and the temperature of the room where stored. After the first 7 consecutive days such cream may be moved from one licensed cold storage warehouse to another: *Provided*, That the market administrator receives notice of such removal within 48 hours thereafter. Any handler whose report claimed the original classification of milk in this class shall be liable under the provisions of § 927.7 (k) for the difference between the Class II–D and Class II–A prices for the month in which the II–D classification was claimed on any such milk, if the storage of the cream does not comply with all the requirements of this sub-paragraph.

3. Amend § 927.4 (a) (8) to read:

(8) For Class II–B milk the price dur- each month shall be 50 cents higher than the Class IV–A price.

4. Amend § 927.4 (a) to include new sub-paragraph to read:

(10) For Class II–D milk the price during each month shall be 40 cents higher than the Class IV–A price.

5. Amend Section 927.7 (g) to read as follows:

(g) *Storage cream payments.* With respect to butterfat in frozen cream held in one or more licensed cold storage warehouses for more than 28 days under the conditions set forth in Sec. 927.3 (b) (3), the handler whose net pool obligations included such butterfat as Class II–D milk may make claim, on forms supplied by the market administrator, for payments out of the producer-settlement fund, if such butterfat was stored during the months of April to September, inclusive, and was used in Class _____ during the months of July to March, inclusive, or in Class IV–A during the months of January to March, inclusive. The market administrator shall, after investigation and audit of such claims, make payment to such handler out of the producer-settlement fund, or issue credit against balances due from such handler to the producer-settlement fund in an amount equal to the difference between the Class II–D price and the Class _____ price, or to the difference between the Class II–D price and the Class IV–A price, as the case may be, respectively, in effect for the month during which the milk was received from producers.

6. Amend Class III to distinguish the various products specified therein by separate sub-classifications; and amend the Class III price accordingly, basing the price of cream and ice cream uses upon open market cream values.

IV

Proposal submitted by New York State Guernsey Breeders' Co-Operative, Inc.:

1. Insert a new paragraph in § 927.7 identified as (d) to read as follows:

(d) *Market differential.* For milk specially adapted by quality including a butterfat test in excess of 4.4 per cent, reputation and customary conditions of its marketing to Class I utilization and handled and identified separately from other milk from production to final sale, received from producers at a plant receiving only milk qualified for such use and where the average test exceeds 4.4 per cent, each handler shall pay to producers, in addition to the uniform price and all other payments required pursuant to this section, an amount per hundredweight equivalent to the following differential on all milk so received: Of the quantity of such milk utilized in Class I, determine such an amount that the remainder bears the same proportion to the quantity of such milk utilized in all other classes as all Class I milk included in computation of the uniform price bears to the milk of all other classes so included; and the decimal fraction obtained by dividing the amount so determined by the total quantity of such milk, but in no event above .66, shall be multiplied by the difference between the Class I price under § 927.4 (a) (3) and the uniform price.

2. Amend § 927.6 (a) to include:

Deduct the total of payments required to be made for such month by § 927.7 (d).

Proposal submitted by Martin H. Clumb, Hillsdale, New York:

Add a subparagraph (2) to § 927.7, changing the paragraph (c) to (c) (1), which new subparagraph (2) shall read as follows:

(2) Extra butterfat differential. The uniform price shall also be plus, in the case of milk testing above 4% of average butterfat content of milk delivered by any producer during any month, an additional amount per hundredweight for each one-tenth of 1% above 4%, computed as follows: The difference between the aggregate amount paid by handlers pursuant to § 927.4 (b) for milk testing more than 3.5% butterfat and the amount payable pursuant to subparagraph (1) hereof shall be divided by the pounds of butterfat in the quantity of milk delivered by producers during the month in excess of 4% butterfat; and further divide the result by 10.

VI

Proposal submitted by United Milk Producers of New Jersey:

1. Amend § 927.4 (6) to read as follows:

For Class I milk which has not passed through the marketing area, but including Class I milk which was received di-

rect from producers at a plant in the marketing area, and which is ultimately distributed in an area not regulated by an order of the Secretary, the price shall be the Class I price, except where milk is produced and sold within a state where the price is fixed by a state agency.

2. Amend § 927.6 (8) to read as follows:

Deduct 20 cents per hundredweight in the case of net pooled milk at plants located at West Coxsackie, Kyserike, Ellenville, and Accord, New York, and at plants located in the New York Counties of Columbia, Dutchess, Orange, Putnam and Rockland, and Litchfield County in the State of Connecticut and the County of Berkshire in the State of Massachusetts; 30 cents in the case of net pooled milk at plants in the marketing area and in the following Counties of New Jersey:

Hunterdon, Union, Sussex, Somerset, Morris, Passaic, Essex, Warren, and Burlington.

3. Amend § 927.7 (2) to read as follows:

Plus the differentials, if any, applicable pursuant to § 927.6 (a) (8) plus 5 cents.

VII

Proposal submitted by Adler's Creamery, Inc.

1. Section 927.8 eliminate the words: "and which was properly classified in Class 1, 11–A, and 11–B,".

2. Section 927.7 eliminate entirely all paragraphs under division (e).

3. If the above amendment is not passed, then add the following to paragraph 3 under division F of § 927.7: "Any payments made under division (e) of this section shall be deducted from the above diversion payments."

4. Under § 927.3 division (b) paragraph 5 eliminate the words "milk powder, malted milk powder," and renumber paragraph 6 to paragraph 7 and paragraph 7 to paragraph 8 and insert the following for paragraph (6): "Class 3A milk shall be all milk the butterfat from which leaves or is on hand at a plant in the form of milk powder or malted milk powder."

5. Under § 927.4 renumber paragraph 11 to paragraph 12 and paragraph 12 to paragraph 13 and insert paragraph (11) as follows: For class 3A milk the price during each month shall be determined as follows:

From the average of all the dry whole milk, spray, other brands, barrels, carlots per pound (using midpoint of any range as one quotation), published during each month in "The Producers' Price-Current," subtract 6 cents, and multiply by 12.

VIII

Proposal submitted by George S. Reed on behalf of Hoffman and Dudo, St. Lawrence County Cooperative Dairies, Inc., Chateaugay Cooperative Milk Association, Inc., Hermon Dairy Company, Morley Butter and Cheese Company, and Lowville Producers Dairy Cooperative, Inc.:

1. Amend § 927.4 (12) to read: For Class IV–B milk the price during each month shall be a price computed by the market administrator as follows:

"From the average of weekly quotations at Wisconsin Cheese Exchange, Plymouth, Wisconsin, for Twins there shall be deducted 2 cents and the result multiplied by 9.45: *Provided*, That if there are no such weekly quotations for Twins, the weekly quotations at Wisconsin Cheese Exchange, Plymouth, Wisconsin, for Cheddars, less 2 cents, and the result multiplied by 9.45."

2. Amend § 927.7 (f) (1) so as to read as follows:

(1) Payments may be made only on milk which has been, pursuant to Section 927.3 properly classified, for any month of the year, in Classes II–A, II–B, II–C, III and IV–B; or for the months of January, February, March and April in Class IV–A.

IX

Proposal submitted on behalf of Andes Cooperative Creamery, Inc., and Bovina Center Creamery, Inc.:

1. Amend § 927.3 (b) (5) eliminating therefrom all cream uses in competition with western cream and placing such cream in a new class, such as III–B.

2. Amend § 927.4 (a) by inserting a new paragraph for paragraph 10 establishing a price for the new III–B cream class to be in line with prices prevailing for western cream in eastern markets.

3. Amend § 927.4 (d) by removing "other brand human consumption" from the formula determining the skim milk adjustment prices.

4. Amend § 927.7 (f) by removing the entire section relative to diversion payments.

X

Proposal submitted by I. Elkin Nathans on behalf of Tri-County Dairy Company, Penn-Reed Milk Company, Inc., Mifflin Creamery Company, Inc., Lancaster Milk Company, Inc., Troy Dairy Farms, East Smithfield Farms, Inc. and Puritan Dairy:

1. Section 927.4 (c) *Transportation differentials.* Delete the words "by more than 15 miles" in line 7 of printed copy.

2. Section 927.3 (b) *Classes of milk.* Delete paragraphs (3), (4), and (5) of this sub-division and substitute therefor paragraphs (5), (4), (6), (7), and (8) of similar sub-division as carried in order dated March 1, 1941. The effect of this would be to restore the classifications of II–C, III–A, III–B, III–C, and III–D as they were in the order effective March 1, 1941.

3. Section 927.7 (f) (1) *Diversion payments.* Amend to read:

Payment may be made only on milk which has been, pursuant to Section 927.3, properly classified, for any month of the year, in Classes II–A, II–B, II–C and III (or in such classes as may be fixed pursuant to this hearing covering the same utilizations) and in Class IV–A and in the months of April, May, June, July, August, September and October in Class IV–B.

Appropriate pricing for these classifications as may be developed by competitive conditions presently encountered to be made based on evidence submitted.

4. Section 927.4 *Minimum prices.* (a) Class prices. Sub-paragraph (6): Delete the words "plus 20 cents per hundredweight included in the net pool obligation for such milk pursuant to § 927.6 (a).

XI

Proposal submitted by Leland Spencer, Professor of Marketing, Cornell University:

1. Section 927.4 (a) (3), change the first three lines to read:

(3) For Class I milk the price per hundredweight during each month shall be, except as specified in subparagraphs (4), (5), (6) and (10) of this paragraph, the prices set forth in the table in this subparagraph:

2. Section 927.4 (7), change first three lines to read:

(7) For Class II–A milk the price during each month shall, except as specified in sub-paragraph (10) of this paragraph and subject to the plus adjustment, if any, computed pursuant to paragraph (d) of this section, be as follows:

3 Section 927.4 (8), change to read:

(8) For Class II–B milk the price during each month shall, except as specified in subparagraph (10) of this paragraph, be ____ cents less than the Class II–A price.

4. Section 927.4 Insert a new subparagraph (10) and renumber subparagraphs (10) to (12) accordingly.

(10) Not later than the 12th day of July, August and September, respectively, the Administrator shall announce the percentage by which the average precipitation in the production area of the New York milk shed during the 3 months immediately preceding the date of announcement has been greater or less than the normal precipitation for the period. In making the necessary determinations precipitation data compiled by the U. S. Weather Bureau for stations in the following states and counties shall be used with the weights indicated:

(i) The entire State of New York, 75 per cent.

(ii) Counties of Pennsylvania in which milk is received by handlers from producers, 15 per cent.

(iii) Counties of New Jersey in which milk is received by handlers from producers, 5 per cent.

(iv) Counties of Vermont in which milk is received by handlers from producers, 5 per cent.

In determining the 3-month average precipitation for each state or section of a state the data for each month shall be weighted as follows:

First month preceding date of announcement, 40 per cent.

Second month preceding date of announcement, 40 per cent.

Third month preceding date of announcement, 20 per cent.

In any month when the average precipitation announced by the Market Administrator is below normal by more than 10 per cent, the minimum prices for Classes I, II–A and II–B milk shall be adjusted according to the following schedule, beginning on the 16th of said month and continuing until the following March 31st.

Average precipitation—Percent below normal as announced by Market Administrator	Noncumulative adjustment in minimum prices	
	Class I	Classes II-A and II-B
10 and over but under 20.	Plus 20 cents per hundredweight.	Plus 12.5 cents per hundredweight.
20 and over but under 30.	Plus 30 cents per hundredweight.	Plus 25 cents per hundredweight.
30 and over	Plus 40 cents per hundredweight.	Plus 37.5 cents per hundredweight.

XII

Proposal submitted by Intervale Farms, Inc.:

Inasmuch as we consider the trucking rates between long distance hauls far in excess of the freight differential allowed, thereby making milk costs higher than milk hauled from a medium distance of 200 miles, and placing those producers who are farther from the Metropolitan Area at a disadvantage in selling their milk for fluid consumption, we hereby propose that the fluid milk differential be changed as follows:

For every 10 miles away from the 200 mile zone and up to the 350 mile zone, 1¢ per hundred lbs. of fluid milk be allowed as a freight differential, beyond the 350 mile zone ½¢ per hundred lbs. of fluid milk be allowed as a freight differential which would make table contained under Section 927.4 as follows:

Freight zone (miles)	Class I (cents per cwt.)	Classes II-A, II-B, and II-C (cents per cwt.)
1-10	+15	+8
11-20	+14	+8
21-25	+13	+8
26-30	+13	+7
31-40	+13	+7
41-50	+10.5	+7
51-60	+10.5	+6
61-70	+9.5	+6
71-75	+8	+6
76-80	+8	+5
81-90	+8	+5
91-100	+7	+5
101-110	+7	+4
111-120	+6	+4
121-125	+5	+4
126-130	+5	+3
131-140	+5	+3
141-150	+3.5	+3
151-160	+2.5	+2
161-170	+2.5	+2
171-175	+1.5	+2
176-180	+1.5	+1
181-190	+1.5	+1
191-200	0.0	+1
201-210	0.0	0
211-220	−1	0
221-230	−2	0
231-240	−3	−1
241-250	−4	−1
251-260	−5	−1
261-270	−6	−2
271-280	−7	−2
281-290	−8	−2
291-300	−9	−3
301-310	−10	−3
311-320	−11	−3
321-330	−12	−4
331-340	−13	−4
341-350	−14	−4
351-360	−14¼	−5
361-370	−15	−5
371-380	−15¼	−5
381-390	−16	−6
391-400	−16½	−6
401-410	−17	−6
411-420	−17½	−7
421-430	−18	−7
431-440	−18½	−7
441-450	−19	−8
451-460	−19½	−8
461-470	−20	−8
471-480	−20½	−9
481-490	−21	−9
491-500	−21½	−9

XIII

Proposal submitted by Connecticut Milk Producers Association:

Delete subparagraph (6), paragraph (a), § 927.4, and substitute therefor the following:

(6) For Class I milk sold or distributed in an area not regulated by an order of the Secretary, the price shall be the price ascertained by the Market Administrator as the prevailing price paid by dealers for milk of equivalent use in the market where such Class I milk is utilized.

XIV

Proposal submitted on behalf of Rupert Creamery Corporation:

Add to the first sentence in § 927.3 (c) the words "and if truck transportation to New York City is feasible."

XV

Proposals submitted by the Dairy Farmers' Union:

1. Amend § 927.4 (c) so that if and when the laws and regulations of the Interstate Commerce Commission and the Public Service Commission compel the filing of trucking rates, handlers shall account for their Class I milk at the trucking rate and special rail rates whenever they are lower than the standard tank car rail rates on which such milk is accounted for under the present order.

2. Amend the order by striking out from Section 927.7 subdivision (f), relating to diversion payments and sections (1), (2), (3), (4), (5), and (6) under subdivision (f).

XVI

Proposals submitted on behalf of Gold Medal Farms, Inc.:

1. Eliminate § 927.3 (a) (1).

2. Strike out from § 927.7 (f), the words "* * * not having any equipment other than that needed for the receiving and shipping of milk * * *."

XVII

Amendments submitted by Sullivan County Milk Producers' Committee:

Amend § 927.6 (a) (8) to read as follows:

(8) Deduct 20 cents per hundredweight in the case of net pooled milk at plants located at West Coxsackie, Kyserike, Ellenville, and Accord, New York; 30 cents in the case of net pooled milk at plants in the marketing area; and 20 cents per hundredweight in the case of all net pooled milk at plants located at Wallkill, Phinney's Crossing, Gardiner, and New Paltz, New York, and in the following counties:

New Jersey Counties: Hunterdon, Somerset, Essex, Union, Morris, Warren, Sussex, Passaic, Burlington.

New York Counties: Columbia, Dutchess, Orange, Putnam, Rockland, Sullivan.

Connecticut: Litchfield County.

Massachusetts: Berkshire County.

XVIII

Proposal submitted by Connecticut Milk Producers' Association:

After § 927.7 (f), subparagraph (6), add a new subparagraph numbered (7) to read as follows:

(7) No claim shall be allowed if the milk on which the claim is made is received from producers at a plant at any location set forth in § 927.6 (a) (8).

XIX

Proposals submitted by New England Milk Producers' Association:

1. Amend § 927.4 (a) (10) by inserting after the words "For Class III milk", the words "except as specified in subparagraph (11) of this paragraph".

2. Add the following new subparagraph (11) in § 927.4, paragraph (a) and renumber the subsequent subparagraphs in this section and paragraph:

(11) For Class III milk the butterfat from which is distributed as cream in an area regulated by another order of the Secretary, the price shall be the same as would be applicable to such milk under such other order.

3. Amend § 927.7 (f) (1) by adding after the word "III" the words "except milk the butterfat from which is delivered as cream to a purchaser outside the special cream area which is not subsequently moved back into the special cream area or the marketing area," so as to read as follows:

(1) Payments may be made only on milk which has been, pursuant to § 927.3, properly classified, for any month of the year, in Classes II–A, II–B, II–C, and III, except milk the butterfat from which is delivered as cream to a purchaser outside the special cream area which is not subsequently moved back into the special cream area or the marketing area; for the months of January, February, March, April, September, and October, in Class IV–A; or, for the months of May, June, July, and August, in Class IV–B."

XX

Proposals submitted on behalf of Sodus Creamery Corporation:

1. Amend § 927.1 (e), so that it reads as follows:

(e) "Producer" means any person who produces milk which is delivered to a handler at a plant which is approved, or was on December 1, 1941, approved by any health authority for the receiving of milk to be sold in the marketing area.

2. Amend § 927.1 (f) so that it reads as follows:

(f) "Handler" means any person who engages in the handling of milk, or cream or milk products therefrom, which milk was received at a plant which is approved or was on December 1, 1941, approved, by any health authority for the receiving of milk to be sold in the marketing area, which handling is in the current of interstate commerce or directly burdens, obstructs, or affects interstate commerce. This definition shall be deemed to include a cooperative association of producers with respect to any milk received from producers at any plant approval for which is, or was on December 1, 1941, held by such association, or with respect to any milk which it causes to be delivered from producers to any other handler for the account of such association and for which such association receives payment.

3. Amend such other provisions of the order as may be necessary to carry out the intention above expressed.

XXI

Proposal submitted on behalf of forty-two cooperative associations:

1. Amend § 927.7 (e), first paragraph, by putting a period after the word "members" in the next to the last line thereof and striking out the following words "and complying with all provisions of this order applicable to it."

2. Amend § 927.7 (e), second paragraph, to read as follows:

After the Secretary has determined any cooperative to be qualified to receive payments pursuant to this paragraph, such cooperative shall from time to time, as requested by the Secretary, make reports to him with respect to services rendered and the use of the sums received under this paragraph. Such payments shall be continued until the Secretary has, after hearing, disqualified such cooperative.

XXII

Proposals submitted by Farmers Union of the New York Milk Shed:

1. Elimination of the producer contract system.

2. Elimination of payments to cooperative associations for alleged services under the order.

3. Diversions of milk to be wholly under control and at the direction of the Administrator during the emergency period in order to assure maximum contribution to the war effort.

4. Provision for a flexible system of price changes to meet changing conditions of production and distribution without undue delays.

XXIII

Amendments submitted on behalf of Rockdale Creamery Corporation:

1. Amend § 927.4 (a) (9) by adding Greensboro, Maryland, to the locations of evaporated plants.

2. Eliminate in full § 927.6 (a) (8).

3. Delete the following proviso in § 927.7 (a):

Provided, That each handler which is also a cooperative marketing association determined by the Secretary to be qualified under the Capper-Volstead Act, may, with respect to producers who are members of and under contract with such association make distribution, in accordance with the contract between the association and such members, of the net proceeds of all its sales in all markets in all use classifications.

and substitute the following:

No handler proprietory or co-operative shall make payment at less than the uniform price to producers subject to differentials set forth in paragraphs (b) and (c) of this section.

4. Delete § 927.7 (e) and substitute the following:

Any handler may apply to the Secretary to receive payments, namely 4¢ per hundredweight of net pooled milk at plants operated by such handler, if such handler sells Class I milk in times of short supply in the marketing area and secures the greatest possible returns to all producers in times of long supply.

5. Delete § 927.7 (f) (1) and substitute the following:

Payments may be made only on milk which has been, pursuant to Section 927.3, properly classified for any month of the year from funds obtained from the Surplus Commodities Corporation in Class II–A, II–B, II–C, III and IV–B provided the skim milk in II–A II–B, II–C, III is used for milk powder. Also III whole milk is used for the manufacture of evaporated milk and whole milk powder.

6. Delete § 927.7 (f) (3) and substitute the following:

Claims shall be paid only if complying with Paragraph I, as amended, with funds obtained from the Surplus Commodities Corporation.

It is hereby declared that an emergency exists in the handling of milk in the aforesaid area which requires a shorter period of notice than fifteen (15) days, and it is hereby determined that the period of notice given is reasonable under the circumstances.

Additional copies of this notice of hearing containing the proposed amendments, copies of the proposed amendments, and copies of Order No. 27, as amended, now in effect, may be procured at the office of the Market Administrator, 383 Madison Avenue, New York City, or from the Hearing Clerk, Office of the Solicitor, United States Department of Agriculture, Room 0312, South Building, Washington, D. C., or may be there inspected.

[SEAL] ROBERT H. SHIELDS,
Assistant to the Secretary of Agriculture.[1]

Dated: December 29, 1941.

[F. R. Doc. 41–9848; Filed, December 30, 1941; 11:11 a. m.]

DEPARTMENT OF LABOR.

Division of Public Contracts.

EXTENSION OF EXEMPTION FROM THE PROVISIONS OF THE PUBLIC CONTRACTS ACT OF CONTRACTS FOR FUTURES PURCHASES OF CERTAIN CANNED FRUITS AND VEGETABLES

On June 9, 1941, at the request of the Secretary of War and on his finding that the inclusion in contracts for futures purchases of the canned fruits and vegetables named in the attached list of the representations and stipulations of section 1 of the Act of June 30, 1936 (49 Stat. 2036; 41 U.S.C. Sup. III 35) otherwise known as the Walsh-Healy Public Contracts Act and hereinafter called the Act, would seriously impair the conduct of government business, I granted an exemption expiring December 31, 1941 permitting the award of contracts for such futures purchases without the inclusion in the contracts of any of the representations and stipulations of section 1 of the Act.

I was impelled to grant this exemption because (1) it appeared that good business practice required that the War Department make futures purchases of canned foods in order that it might, subject to the limitation of existing equipment, obtain canned foods in the sizes of cans desired for efficient operation and

[1] Acting Pursuant to Authority Delegated by the Secretary of Agriculture under the Act of April 4, 1940 (54 Stat. 81; 6 F.R. 5192)

wherever possible make contracts in advance of production so that production might be increased to meet these demands without causing a shortage of food for civilian consumption; (2) the War Department pack would have to go through canneries simultaneously with the ordinary commercial work because of the fact that the War Department would not take all grades but confined its purchases to choice or extra-standard; and (3) the conditions existing in the industry were such that canneries operating on government orders could not dispose of the commercial part of their pack in competition with canneries not engaged on government work if the canneries engaged on government work had to comply with all the standards of the Act.

After granting the exemption a committee was appointed to study the problem presented by the award of contracts subject to the Act to members of the canning industry and the committee will not be ready to report its recommendations until some time after the expiration of the present exemption.

The Secretary of War has made written findings that the inclusion of the representations and stipulations of section 1 of the Act will under conditions now existing seriously impair the conduct of government business and the facts appearing now to be the same as those which impelled me in the first instance to exempt all contracts for futures purchases of the canned fruits and vegetables named in the attached list from the requirement that there be included therein the representations and stipulations of section 1 of the Act,

I find that justice and the public interest will be served by continuing the exemption in effect for a period of time sufficiently long to permit the committee to make its report and suggestions.

Therefore, I hereby exempt for the period from December 31, 1941, to and including April 30, 1942, all contracts for the futures purchases of the canned fruits and vegetables named in the list attached from the requirement that there be included therein the representations and stipulations of section 1 of the Act.

Dated: December 30, 1941.

FRANCES PERKINS.

CANNED FRUITS AND VEGETABLES SUBJECT TO THE EXEMPTION FROM THE PROVISIONS OF THE WALSH-HEALEY PUBLIC CONTRACTS ACT OF CONTRACTS FOR FUTURES PURCHASES

Apples, canned.
Applesauce, canned.
Apricots, canned.
Asparagus, canned.
Beans, lima, canned.
Beans, string (or snap) canned.
Beets, canned.
Blackberries, canned.
Blueberries (huckleberries), canned.
Carrots, canned.
Catsup, canned.
Cherries, canned.
Corn, canned.
Figs, canned.
Fruit cocktail, canned.
Grapefruit, canned.
Grapefruit juice, canned.
Grapes, various, canned.
Loganberries, canned.
Peaches, canned.
Pears, canned.
Peas, canned.
Pineapple, canned.
Plums, canned.
Prunes, fresh, canned.
Pumpkin, canned.
Raspberries, canned.
Sauce, chili.
Spinach, canned.
Squash, canned.
Tomato Juice, canned.
Tomato Puree, canned.
Tomatoes, canned.

[F. R. Doc. 41-9867; Filed, December 30, 1941; 11:48 a. m.]

Wage and Hour Division.

NOTICE OF CANCELLATION OF SPECIAL CERTIFICATE FOR THE EMPLOYMENT OF LEARNERS IN THE APPAREL INDUSTRY

Notice is hereby given that a special certificate for the employment of learners not to exceed at any one time ten workers issued to the Brooks Manufacturing Corporation, Brooks Boulevard, Manville, New Jersey, on May 26, 1941, has been ordered cancelled as of the first date of violation because of violations of its terms.

The order of cancellation shall not become effective and enforceable until after the expiration of a fifteen-day period following the date on which this Notice appears in the FEDERAL REGISTER. During this time petitions for reconsideration or review may be filed by any directly interested and aggrieved party pursuant to § 522.13 of the Regulations. If a petition is properly filed, the effective date of the order of cancellation shall be postponed until final action is taken on the petition.

Signed at Washington, D. C. this 26th day of December 1941.

ALEX G. NORDHOLM,
Duly Authorized Representative of the Administrator.

[F. R. Doc. 41-9865; Filed, December 30, 1941; 11:45 a. m.]

NOTICE OF CANCELLATION OF SPECIAL CERTIFICATE FOR THE EMPLOYMENT OF LEARNERS IN THE TEXTILE INDUSTRY

Notice is hereby given that a special certificate for the employment of learners not to exceed at any one time three workers, issued to the Fullerton Textile Company, Marry Street, Fullerton, Pennsylvania, on May 29, 1941, has been ordered cancelled as of the first date of violation because of violation of its terms.

The order of cancellation shall not become effective and enforceable until after the expiration of a fifteen-day period following the date on which this company Notice shall have appeared in the FEDERAL REGISTER. During this time petitions for reconsideration or review may be filed by any directly interested and aggrieved party pursuant to § 522.13 of the Regulations. If a petition is properly filed, the effective date of the order of cancellation shall be postponed until final action is taken upon the petition.

Signed at Washington, D. C. this 15th day of December, 1941.

ALEX G. NORDHOLM,
Duly Authorized Representative of the Administrator.

[F. R. Doc. 41-9866; Filed, December 30, 1941; 11:45 a. m.]

CIVIL AERONAUTICS BOARD.

[Docket No. 682]

IN THE MATTER OF THE APPLICATION OF NORTHEAST AIRLINES, INC., FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

NOTICE OF HEARING

Please take notice, pursuant to the Civil Aeronautics Act of 1938, as amended, particularly Sections 401 and 1001 of said Act, in the above-entitled proceeding, that public hearing is hereby assigned to be held on December 31, 1941, at 10 a. m. (eastern standard time) in Room 5044 Commerce Building, 14th Street and Constitution Avenue NW., Washington, D. C., before the Board.

Dated: December 29, 1941.

By the Civil Aeronautics Board.

[SEAL] DARWIN CHARLES BROWN,
Secretary.

[F. R. Doc. 41-9814; Filed, December 30, 1941; 9:40 a. m.]

INTERSTATE COMMERCE COMMISSION.

[Ex Parte No. 148]

INCREASED RAILWAY RATES, FARES, AND CHARGES, 1942

EXPRESS L. C. L. SPECIAL EMERGENCY TARIFFS, 1942

DECEMBER 30, 1941.

The above entitled proceedings, now assigned for hearing at Chicago, Illinois, on January 5 and 9, 1942, respectively, are hereby reassigned for hearing at St. Louis, Missouri, at Hotel Statler, commencing at 10:00 o'clock a. m., on the same dates.

Representations have been made that because of conditions growing out of the present national emergency, it is desirable that the oral argument in Docket Ex Parte No. 148 should be in St. Louis immediately following the hearing. That proceeding accordingly is set for argument before the Commission at St.

Louis immediately after the close of the taking of testimony.

Persons submitting verified statements in Ex Parte No. 148 in response to the petitions described in the Commission's notice of December 27, 1941, should address copies thereof to the persons named in that notice at the Hotel Statler, in St. Louis.

By the Commission.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 41-9370; Filed, December 30, 1941; 11:56 a. m.]

SECURITIES AND EXCHANGE COMMISSION.

[File Nos. 54-40, 59-40]

IN THE MATTERS OF CONSOLIDATED ELECTRIC AND GAS COMPANY, APPLICANT; AND CENTRAL PUBLIC UTILITY CORPORATION CONSOLIDATED ELECTRIC AND GAS COMPANY, RESPONDENTS

NOTICE OF AND ORDER FOR HEARING ON PLAN FILED UNDER SECTION 11 (e) OF THE PUBLIC UTILITY HOLDING COMPANY ACT OF 1935, NOTICE OF AND ORDER INSTITUTING PROCEEDINGS AND SETTING DATE FOR HEARING, AND ORDER CONSOLIDATING SUCH PROCEEDINGS FOR PURPOSES OF HEARING

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 27th day of December, A. D. 1941.

I

Consolidated Electric and Gas Company having filed an application pursuant to section 11 (e) of the Public Utility Holding Company Act of 1935, for approval of a plan for the simplification of its corporate structure and for the divestment of control of its subsidiaries, which plan provides:

1. Consolidated Electric and Gas Company proposes to reclassify its outstanding Preferred Stock into such number of shares of new Common Stock as shall be convenient for distribution to the holders of the presently outstanding Preferred Stock.

2. Consolidated Electric and Gas Company will proceed to cancel and retire all of its presently outstanding Class A Stock and Common Stock without any consideration to the holders of such Class A Stock and Common Stock.

3. The capitalization of Consolidated Electric and Gas Company will then consist of presently outstanding and long term debt and one class of capital stock, the new Common Stock distributed to the holders of the presently outstanding Preferred Stock.

4. Consolidated Electric and Gas Company proposes to pursue a program of liquidation and actively to endeavor to sell or exchange the securities or assets of its subsidiaries at fair prices and, to the extent required, apply the proceeds received therefrom to the retirement of its debt securities and, upon the extinguishment of such debt securities, to distribute the remaining assets to the holders of the new Common Stock.

II

The Commission's public official files disclose that:

1. Central Public Utility Corporation is a registered holding company, organized under the laws of Delaware, with its principal offices for the doing of business located in Jersey City, New Jersey. It has two direct subsidiaries, Central Securities Transfer Company, engaged in the business of transferring securities and not a public utility company within the meaning of the Public Utility Holding Company Act of 1935 and Consolidated Electric and Gas Company, a public utility holding company within the meaning of the said Act.

2. Consolidated Electric and Gas Company is a registered holding company organized under the laws of Delaware with its principal offices for the doing of business located in New York, New York. Among its direct subsidiaries, The Islands Gas & Electric Company is a public utility holding company within the meaning of the Act.

3. The Islands Gas & Electric Company, organized under the laws of Maryland, has been granted exemption until August 1, 1943 from certain provisions of the said Act by order of this Commission dated August 2, 1941 and is not a registered holding company.

4. The following are subsidiary companies of Central Public Utility Corporation and Consolidated Electric and Gas Company and are public utility companies, within the meaning of the said Act, operating within the United States:

Name	State of organization	State of operation	Nature of business
The Asheville Gas Company	N. C	N. C	Gas.
Athens and Sayre Gas Company	Pa	Pa	Gas.
Atlanta Gas Light Company	Ga	Ga., S. C	Gas.
Bangor Gas Company	Pa	Pa	Gas.
Baraga County Light and Power Company	Mich	Mich	Electric.
Bluefield Gas Company	W. Va	W. Va	Gas.
Central Illinois Electric and Gas Company	Ill	Ill	Electric, gas, water, steam transportation.
Central Indiana Gas Company	Ind	Ind	Gas.
Chambersburg Gas Company	Pa	Pa	Gas.
Citizens Gas Company	Pa	Pa	Gas.
Commonwealth Public Service Corp	Va	Va	Gas.
The Durham Gas Company	N. C	N. C	Gas.
Florida Public Utilities Company	Fla	Fla	Electric, gas water, and ice.
The Gas Light Company of Waverly	N. Y	N. Y	Gas.
Hagerstown Gas Company	Md	Md	Gas.
Hoosier Gas Corporation	Ind	Ind	Gas.
Hoosier Public Utility Company	Ind	Ind	Electric and gas.
Houghton County Electric Light Co	Mich	Mich	Electric.
Iron Range Light and Power Co	Mich	Mich	Electric.
Jersey Shore Gas Company	Pa	Pa	Gas.
Lynchburg Gas Company	Va	Va	Gas.
Maine Public Service Company	Me	Me	Electric.
Martinsburg Gas Company	W. Va	W. Va	Gas.
Mobile Gas Service Corporation	Ala	Ala	Gas.
Peoples Gas Company	Texas	Texas	Gas.
Portsmouth Gas Company	N. H	N. H	Gas.
Pottsville Gas Company	Pa	Pa	Gas.
The Raleigh Gas Company	N. C	N. C	Gas.
Roanoke Gas Company	Va	Va	Gas.
The Salem Gas Light Company	N. J	N. J	Gas.
Suffolk Gas Company	Va	Va	Gas.
Washington County Gas Company	Tenn	Tenn	Gas.
Waynesboro Gas Company	Pa	Pa	Gas.

5. The following are subsidiary companies of Central Public Utility Corporation and Consolidated Electric and Gas Company and are public utility companies, within the meaning of the Act, operating outside the United States:

Name	Country of organization	Place of operation	Nature of business
Maine and New Brunswick Electrical Power Company, Limited.	Canada	New Brunswick, Canada	Electric.
Porto Rico Gas & Coke Company	U .S. (Del.)	Puerto Rico	Gas.
Union Electrica de Canarias, S. A	Spain	Canary Islands	Electric and Gas.

6. The following are subsidiary companies of Central Public Utility Corporation, Consolidated Electric and Gas Company, and The Islands Gas & Electric Company and are public utility companies, within the meaning of the Act, operating outside the United States.

Name	Country of organization	Place of operation	Nature of business
Companie d'Eclairage des Villes de Port-au-Prince et du Cap Haitien.	Haiti	Haiti	Electric.
Compagnia Electrica de Santo Domingo C. Por A.	Dominican Republic	Dominican Republic	Electric, water, and ice.
Gas y Electricidad S. A	Spain	Mallorca I	Electric and gas.
Manila Gas Corporation	Philippine I	Philippine I	Gas.

7. The following are subsidiary companies of Central Public Utility Corporation and Consolidated Electric and Gas Company and are not public utility holding companies or public utility companies within the meaning of the Act but are engaged in the businesses respectively set forth opposite their names:

Name	State of organization	State of operation	Nature of business
Carolina Coach Company	N. C.	N. C., Va.	Transportation.
Virginia Carolina Coach Company	Va.	N. C., Va.	Transportation.
Central Natural Gas Company	Ind.	Ind.	Gas transmission.
Lynchburg Traction & Light Co.	Va.	Va.	Transportation.
Roanoke Railway & Electric Co.	Va.	Va.	Transportation.
Safety Engineering and Management Co.	Del.		Investments.
Safety Motor Transit Corp.	Va.	Va.	Transportation.
Southern Cities Ice Company	Del.	S. C.	Ice.
Wheeling Public Service Co.	W. Va.	W. Va.	Transportation.

III

The Commission's official public files further disclose that:

1. Central Public Utility Corporation has outstanding as of December 31, 1941, the following:

a. $42,101,202 principal amount of Twenty Year 5½% Income Bonds, dated August 1, 1932, due August 1, 1952, the accrued and unpaid interest thereon amounting to approximately $18,307,000 as of December 31, 1940.

b. 320,372 29/100 shares of $4 Non-Cumulative Preferred Stock, no par value, with a stated value of $10 per share.

c. 1,719,816 3/80 shares of Class A Stock, $1 par value.

d. 1,305,020 shares fo Common Stock, $1 par value.

Of the foregoing, only the Preferred Stock and the Common Stock have voting rights, each having one vote per share.

2. All of the Common Stock of Central Public Utility Corporation has been deposited with and is presently held by Christopher H. Coughlin, William T. Crawford and Rawleigh Warner, as Voting Trustees under a Voting Trust Agreement dated August 1, 1932. The said Voting Trustees constitute a public utility holding company within the meaning of the Act and are a registered holding company.

3. Consolidated Electric and Gas Company has outstanding as of June 30, 1941, the following:

a. Bonds assumed by Consolidated Electric and Gas Company:

(1) Central Gas and Electric Company First Collateral Trust Sinking Fund Bonds:

(a) 6% Series of 1926, due March 1, 1946, $3,342,300.

(b) 5½% Series of 1926, due Dec. 1, 1946, $5,495,800.

(2) Federated Utilities, Inc. First Collateral Trust 5½% Bonds, due March 1, 1957, $5,336,500.

(3) Southern Cities Utilities Company 30-year 5% First Lien Collateral Trust Bonds, Series A, due April 1, 1958, $7,855,000.

b. Collateral Trust Bonds of Consolidated Electric and Gas Company:

(1) 6% Series, due August 1, 1957, $4,208,500.

(2) 3%–6% Series A, due August 1, 1962 (convertible), $14,857,500.

(3) 3%–6% Series B, due August 1, 1962 (convertible) $1,723,000.

Total Bonds Outstanding—Issued and Assumed, $42,818,600.

c. 182,975 shares of $6.00 Cumulative Preferred Stock, no par value, stated value $100 per share.

d. 1,480,000 shares of Class A noncumulative stock, $1 par value, liquidating value $25 per share.

e. 1,000,000 shares Common Stock $1 par value.

There are dividend arrearages on the $6 Preferred Stock totalling $9,671,951 as of June 30, 1941.

Of the foregoing, only the Preferred Stock and the Common Stock have voting rights, each having one vote per share.

IV

The Commission having been advised by its Public Utility Division that the information set out in paragraph II hereof and other and further information contained in the Commission's public official files tends to show that:

1. The public utility and non-utility subsidiaries in the Central Public Utility Corporation holding company system, using the mails and engaged in interstate and foreign commerce, operate in an extensive area comprising eighteen states, two island possessions of the United States and four foreign countries.

2. The holding company system of Central Public Utility Corporation is not confined in its operations to those of a single integrated public-utility system as provided by section 11 (b) (1) of the Act or to such single system and additional systems which may be retained under Clauses (A), (B) and (C) of section 11 (b) (1) and to such other businesses as are reasonably incidental, or economically necessary or appropriate to the operations of such system or systems.

V

The Commission being further advised by its Public Utility Division that the information set out in paragraph III hereof and other and further information contained in the Commission's public official files tends to show that:

1. The preferred stock of Central Public Utility Corporation has 18% and its common stock has 82% of the total voting power.

2. The company's assets are insufficient to satisfy the claim of the Twenty Year 5½% Income Bonds.

3. Voting power is unfairly and inequitably distributed among the security holders of Central Public Utility Corporation.

4. The corporate structure and continued existence of Central Public Utility Corporation unduly and unnecessarily complicates the structure of the holding company system, of which it is a part.

5. The continued existence of the Voting Trustees unduly and unnecessarily complicates the structure of the holding company system, of which they are a part.

6. The Voting Trustees and Central Public Utility Corporation have subsidiary companies which themselves have subsidiary companies which are holding companies, in contravention of provisions of section 11 (b) (2) of the Act.

7. The Common Stock of Consolidated Electric and Gas Company has 85% of the total voting power.

8. After allowing for the claims of the holders of the issued and assumed bonds, the Preferred Stock represents a claim upon all of the company's remaining assets.

9. Voting power is unfairly and inequitably distributed among the security holders of Consolidated Electric and Gas Company.

10. The corporate structure of Consolidated Electric and Gas Company is such as not to justify more than a single class of stock.

11. The corporate structure of Consolidated Electric and Gas Company unduly and unnecessarily complicates the structure of the holding company system, of which it is a part.

VI

It being the duty of the Commission, pursuant to section 11 (b) (1) of the Act, to require, by order, after notice and opportunity for hearing, that each registered holding company and each subsidiary company thereof, shall take such action as the Commission shall find necessary to limit the operations of the holding company system, of which said company is a part, to a single integrated public utility system and to such other businesses as are reasonably incidental or economically necessary or appropriate to the operations of such integrated public-utility system, and to such additional integrated public-utility system or systems which the Commission finds to be in compliance with the standards of subsections (A), (B) and (C) of section 11 (b) (1);

It further being the duty of the Commission, pursuant to section 11 (b) (2) of said Act, to require by order, after notice and opportunity for hearing, that each registered holding company and each subsidiary company thereof shall take such steps as the Commission shall

find necessary to ensure that the corporate structure or continued existence of any company in a holding-company system does not unduly or unnecessarily complicate the structure, or unfairly or inequitably distribute voting power among security holders of such holding company system and to require each registered holding company (and any company in the same holding company system with such holding company) to take such action as the Commission shall find necessary in order that such holding Company shall cease to be a holding company with respect to each of its subsidiary companies which itself has a subsidiary company which is a holding company; and

The Commission, before approving any plan under the provision of section 11 (e) of said Act, being required to find such plan, as submitted or as modified, necessary to effectuate the provisions of subsection (b) of section 11, and fair and equitable to the persons affected by such plan; and

It appearing appropriate to the Commission that notice be given and a hearing be ordered to be held for the purpose of giving an opportunity to be heard with respect to what action should be ordered to be taken under sections 11 (b) (1) and 11 (b) (2) of the Act, as more particularly hereinafter ordered, and with respect to said plan for simplification of corporate structure and divestment of control filed under section 11 (e) of the Act;

It further appearing that the matters here concerned are related and involve common questions of law or fact and that evidence offered in respect of each of the matters may have a bearing on the other; and that substantial savings in time, effort, and expense will result if the hearings on said matters are consolidated so that they may be heard as one matter and so that evidence adduced in each matter may stand as evidence in the other for all purposes;

It is hereby ordered, That the proceedings here involved be consolidated for hearing and that a hearing be held thereupon at the offices of the Securities and Exchange Commission, 1778 Pennsylvania Avenue NW., Washington, D. C., in such room as may be designated on such day by the hearing room clerk in Room 1102 at 10 A. M. on the 20th day of January 1942, at which hearing Central Public Utility Corporation and Consolidated Electric and Gas Company shall be given an opportunity to be heard as to:

1. Whether or not the plan for simplification of its corporate structure and for the divestment of control, as submitted or modified, is necessary to effectuate the provisions of subsection (b) of section 11, as well as being fair and equitable to the persons affected by such plan, and whether the Commission should enter an order approving such plan.

2. Whether the allegations of paragraphs numbered II, III, IV, and V hereof, inclusive, are true and accurate.

3. What order, if any, should be entered pursuant to section 11 (b) (1) of said Act requiring that said Central Public Utility Corporation and/or Consolidated Electric and Gas Company limit the operations of their holding company systems to a single integrated public-utility system and to such other businesses as are reasonably incidental or economically necessary or appropriate to the operations of such integrated public utility system.

4. What order, if any, should be entered pursuant to section 11 (b) (2) of said Act requiring Central Public Utility Corporation and/or Consolidated Electric and Gas Company to take such steps as the Commission shall find necessary to ensure that the corporate structure or continued existence of any company in the Central Public Utility Corporation's holding company system or the continued existence of the Voting Trustees under the Voting Trust Agreement of August 1, 1932 does not unduly or unnecessarily complicate the corporate structure, or unfairly or inequitably distribute voting power among security holders of Central Public Utility Corporation and/or Consolidated Electric and Gas Company.

5. What order, if any, should be entered pursuant to section 11 (b) (2) of said Act requiring Central Public Utility Corporation and the Voting Trustees aforesaid to cease to be a holding company with respect to each of their subsidiary companies which itself has a subsidiary company which is a holding company.

The Commission reserves the right if at any time it may appear conducive to an orderly and economical disposition of any one or all of the matters here involved to order a separate hearing concerning any such matter, to close the record with respect to any such matter, or to take appropriate action on any such matter prior to closing the record on other matters.

It is further ordered, That Central Public Utility Corporation and Consolidated Electric and Gas Company, respondents herein file with the Secretary of the Commission on or before January 15, 1942 their respective answers, admitting or denying the allegations of paragraphs II, III, IV and V hereof.

It is further ordered, That Richard Townsend or any other officer or officers of the Commission designated by it for that purpose shall preside at the hearings in such matter. The officer so designated to preside at any such hearing is hereby authorized to exercise all the powers granted to the Commission under section 18 (c) of said Act and to a trial examiner under the Commission's Rules of Practice; and

It is further ordered, That the Secretary of the Commission shall serve notice of the hearing aforesaid by mailing a copy of this order, by registered mail, to Central Public Utility Corporation and Consolidated Electric and Gas Company, and that notice of said hearing be given, by registered mail, to Christopher H. Coughlin, William T. Crawford and Rawleigh Warner, Voting Trustees under a Voting Trust Agreement dated August 1, 1932; and that notice of said hearing shall be and hereby is given to all security holders of Central Public Utility Corporation, Consolidated Electric and Gas Company and their subsidiaries, to all consumers of said companies, to all States, municipalities, island possessions of the United States, Foreign countries or political subdivisions of any of the foregoing in which are located any of the utility assets of the holding company system of Central Public Utility Corporation or under the laws of which any of said subsidiary companies are incorporated, to all state commissions, state security commissions and all agencies, authorities or instrumentalities of one or more states, municipalities, or other bodies politic or subdivisions thereof having jurisdiction over Central Public Utility Corporation, Consolidated Electric and Gas Cmpany or any subsidiaries thereof or over any of the business affairs of any of them, and to all other persons, such notice to be given by a general release of the Commission, distributed to the press and mailed to the mailing list for releases issued under the Public Utility Holding Company Act of 1935, and by publication of this order in the FEDERAL REGISTER;

It is further ordered, That any person desiring to be heard in connection with these proceedings shall file with the Secretary of the Commission on or before the 15th day of January 1942, a written statement relative thereto; any person proposing to intervene shall file with the Secretary of the Commission on or before such date his application therefor, as provided by Rule XVII of the Commission's Rules of Practice.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 41-9856; Filed, December 30, 1941; 11:41 a. m.]

[File No. 70-447]

IN THE MATTER OF PANHANDLE EASTERN PIPE LINE COMPANY

ORDER POSTPONING HEARING

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 29th day of December, A. D. 1941.

Panhandle Eastern Pipeline Company, hereinafter called "Panhandle", a subsidiary of both Columbia Gas & Electric Corporation, a registered holding company, and Columbia Oil & Gasoline Corporation, which is also a subsidiary of Columbia Gas & Electric Corporation,

having filed a declaration pursuant to sections 6 (a) (2) and (7) of the Public Utility Holding Company Act of 1935, regarding a proposal to alter the basis upon which participating dividends on its outstanding Class A preferred stock consisting of 100,000 shares, owned by Columbia Oil & Gasoline Corporation, will be declared and paid during the year 1941; and

The Commission having on December 24, 1941 ordered that a hearing with respect to said declaration be held on January 6, 1942; and

Panhandle having filed a written request for a postponement of said hearing to January 8, 1942; and

The Commission having considered the request for postponement and being of the opinion that the same should be granted;

It is ordered, That the hearing in the above matter be, and the same is hereby postponed to 10:00 A. M. on January 8, 1942, at the offices of the Securities and Exchange Commission, 1778 Pennsylvania Avenue NW., Washington, D. C., in such room as may be designated on such day by the hearing room clerk in room 1102.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 41-9857; Filed, December 30, 1941; 11:41 a. m.]

[File No. 70-423]

IN THE MATTER OF IOWA PUBLIC SERVICE COMPANY AND NEBRASKA PUBLIC SERVICE COMPANY

ORDER PERMITTING DECLARATIONS TO BECOME EFFECTIVE

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 23d day of December, A. D. 1941.

Iowa Public Service Company, a registered holding company and a subsidiary of Sioux City Gas & Electric Company (also a registered holding company), and Nebraska Public Service Company, a wholly-owned subsidiary of Iowa Public Service Company, having filed declarations pursuant to sections 12 (c) and 12 (d) of the Public Utility Holding Company Act of 1935 and Rules U-42, U-43 and U-44 promulgated thereunder regarding the sale by Iowa Public Service Company to Nebraska Public Service Company of 7,700 shares of the latter's $50 par value common stock, which Nebraska Public Service Company will retire, for $325,000 cash; and

Said declarations having been filed on October 31, 1941, and certain amendments having been filed thereto, the last of said amendments having been filed on December 9, 1941, and notice of said filing having been duly given in the form and manner prescribed by Rule U-23 promulgated pursuant to said Act and the Commission not having received a request for a hearing with respect to said declarations within the period specified in said notice, or otherwise, and not having ordered a hearing thereon; and

The Commission deeming it appropriate in the public interest and in the interest of investors and consumers to permit the said declarations, as amended, pursuant to Rules U-42, U-43 and U-44 to become effective, and finding with respect to said declaration, as amended, pursuant to Rule U-42 that the requirements of section 12 (c) are satisfied, and finding with respect to said declaration, as amended, pursuant to Rules U-43 and U-44 that the requirements of section 12 (d) are satisfied, and being satisfied that the effective date of such declarations, as amended, should be advanced:

It is hereby ordered, Pursuant to Rule U-23 and the applicable provisions of said Act and subject to the terms and conditions prescribed in Rule U-24, that said declarations, as amended, be and hereby are permitted to become effective forthwith.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 41-9858; Filed, December 30, 1941; 11:41 a. m.]

[File No. 70-332]

IN THE MATTER OF ALABAMA POWER COMPANY, THE COMMONWEALTH & SOUTHERN CORPORATION (DELAWARE), AND THE GENERAL CORPORATION

ORDER PERMITTING DECLARATIONS TO BECOME EFFECTIVE AND GRANTING APPLICATIONS

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 29th day of December 1941.

The Commonwealth & Southern Corporation (Delaware), a registered holding company, and Alabama Power Company and The General Corporation, subsidiary companies thereof, having filed applications and declarations, and amendments thereto, with the Commission pursuant to sections 6 (b), 10 and 12 of the Public Utility Holding Company Act of 1935, and Rules U-42, U-43, U-44, U-45, U-46, U-50 and U-62 promulgated thereunder, in regard to the following proposals, (in addition to other matters consummated pursuant to our previous order of September 10, 1941 in these proceedings, Holding Company Act Release No. 2996):

1. The issuance and sale by Alabama Power Company of:

(a) $80,000,000 principal amount First Mortgage Bonds, series due 1972, coupon rate as yet undetermined but not to exceed 3½%, to the successful bidder at competitive bidding,

(b) $12,000,000 principal amount unsecured notes to banks, repayable, with interest at 2⅞%, in 16 equal semi-annual installments, the first installment to be due six months after the date of closing.

The proceeds of these bonds and notes, together with an estimated amount of $4,500,000 of treasury funds, to be used by Alabama to retire its outstanding bonds in an aggregate principal amount of $95,583,600 at a retirement cost, exclusive of accrued interest, of $97,522,150.

2. The reduction by Alabama Power Company of its common stock stated capital by $30,516,282, from $51,278,782 to $20,762,500; the amount of this reduction plus salvage credits of $208,885 and the balance of the earned surplus account as of the effective date of the adjustments, an aggregate of $31,354,256 plus or minus an adjustment as noted in sub-paragraph (a) below, will be used by Alabama for:

(a) The immediate reduction in utility plant account in the amount of $23,114,762, increased or decreased by the amount of the net change in earned surplus account between October 31, 1941 and the effective date of the proposed adjustments;

(b) The creation of a special surplus reserve account of $7,685,670 with respect to Martin Dam and Jordan Dam licensed projects; and

(c) The increase in the stated capital represented by the preferred stock to be outstanding to $100 per share, an adjustment upward of $553,824.

3. The surrender by The Commonwealth & Southern Corporation (Delaware) to Alabama Power Company for cancellation of its holding of 11,302 shares of preferred stock in Alabama, represented by a stated capital of $1,101,239. The cost of these shares to Commonwealth ($717,483) will be treated as an additional investment by Commonwealth in the common stock of Alabama and the balance of such stated capital ($383,756) will be added to the stated capital represented by the preferred stock to be outstanding, publicly held.

The transactions outlined in paragraphs 2 and 3 are to be carried out whether or not the proposed financing program described in paragraph 1 is consummated.

4. The solicitation of authorizations from the stockholders of Alabama Power Company in respect of the proposed financing program and accounting adjustments; and

5. The making of various accounting entries and adjustments and the taking of other action, as particularly described in the applications and declarations, as amended, and described in our Findings and Opinion filed herein.

Pursuant to Rule U-50 of the General Rules and Regulations of the Commission under the Act, Alabama Power Company will publicly invite proposals for the purchase of the $80,000,000 principal amount First Mortgage Bonds, due 1972, the interest rate of said bonds to be determined in accordance with the provisions of the accepted bid.

A public hearing having been held after appropriate notice, and the Commission

having considered the record in this matter and having made and filed its Findings and Opinion herein;

It is ordered, That the issuance and sale of the proposed bonds and notes described in paragraph 1 hereof be, and the same hereby is, exempted from the provisions of section 6 (a) of the Act, and that said declarations, as amended, be and the same are hereby permitted to become effective forthwith, and that the applications, as amended, be and the same are hereby granted; subject, however, to the terms and conditions prescribed in Rule U-24 and to the following further condition:

(1) That Alabama Power Company report to the Commission the results of the competitive bidding as required by Rule U-50 (c) and comply with such supplemental order as the Commission may enter in view of the facts disclosed thereby; jurisdiction is hereby reserved for this purpose.

By the Commission.

[SEAL] FRANCIS P. BRASSOR, *Secretary.*

[F. R. Doc. 41-9859; Filed, December 30, 1941; 11:41 a. m.]

[File No. 70-457]

IN THE MATTER OF FLORIDA POWER & LIGHT COMPANY AND CONSUMERS WATER COMPANY

ORDER PERMITTING DECLARATION TO BECOME EFFECTIVE AND GRANTING APPLICATION

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 23rd day of December, A. D. 1941.

The above-named persons having filed an application and declaration pursuant to the Public Utility Holding Company Act of 1935, and particularly sections 7 and 10 thereof, with respect to a transaction wherein Florida Power & Light Company proposes to sell all its interest in Consumers Water Company, its wholly-owned subsidiary, and to acquire, as partial consideration for such sale, $550,000 principal amount of First Mortgage Bonds, 4% Series, due 1935, proposed to be issued by Consumers Water Company; and

Said application and declaration having been filed on December 9, 1941, and a certain amendment having been filed thereto on December 12, 1941, and notice of said filing having been duly given in the form and manner prescribed by Rule U-23, promulgated pursuant to said Act, and the Commission not having received a request for a hearing with respect to said application and declaration within the period specified in said notice, or otherwise, and not having ordered a hearing thereon; and

The above-named persons having requested that the said application, as amended, be granted, and that said declaration, as amended, become effective as promptly as possible; and

The Commission deeming it appropriate in the public interest and in the interest of investors and consumers that said application, as amended, be granted, and to permit said declaration, as amended, to become effective, and being satisfied that the date of granting such application, as amended, and the effective date of such declaration, as amended, should be advanced:

It is hereby ordered, pursuant to Rule U-23 and the applicable provisions of said Act and subject to the terms and conditions prescribed in Rule U-24, that the aforesaid application, as amended, be, and it hereby is granted, and that the aforesaid declaration, as amended, be, and it hereby is, permitted to become effective forthwith.

By the Commission, Commissioner Healy dissenting for the reasons set forth in his memorandum of April 1, 1940.

[SEAL] FRANCIS P. BRASSOR, *Secretary.*

[F. R. Doc. 41-9860; Filed, December 30, 1941; 11:42 a. m.]

[File Nos. 70-453, 59-4]

IN THE MATTERS OF THE WESTERN PUBLIC SERVICE COMPANY, A MARYLAND CORPORATION, THE WESTERN PUBLIC SERVICE COMPANY, A DELAWARE CORPORATION, ENGINEERS PUBLIC SERVICE COMPANY; AND ENGINEERS PUBLIC SERVICE COMPANY AND ITS SUBSIDIARY COMPANIES, RESPONDENTS

ORDER GRANTING APPLICATIONS AND PERMITTING DECLARATIONS TO BECOME EFFECTIVE AND ORDER OF DIVESTMENT

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C. on the 29th day of December, A. D. 1941

Engineers Public Service Company, a registered holding company, The Western Public Service Company, a Maryland corporation, and The Western Public Service Company, a Delaware corporation, its subsidiaries, having filed applications and declarations pursuant to sections 7, 10, and 12 of the Public Utility Holding Company Act of 1935 and appropriate rules promulgated thereunder, and also pursuant to instructions 8C to the Uniform System of Accounts for Public Utility Holding Companies, regarding the following transactions:

The contribution by Engineers Public Service Company to The Western Public Service Company, a Maryland corporation, or $1,032,000 principal amount of First Mortgage Bonds, 31,341 shares of Preferred Stock Series A, and 10,000 shares of Preferred Stock Series B of said The Western Public Service Company and the acquisition and retirement of said securities by said The Western Public Service Company, a Maryland corporation;

The amendment of the charter of The Western Public Service Company, a Maryland corporation, so as to change the common stock from no par to $1 par value and the capitalization represented by its common stock from $5,000,000 to $500,000;

The call for redemption by The Western Public Service Company, a Maryland corporation, of 8,292 shares of Preferred Stock, Series A at $27.50 per share plus accrued dividends;

The declaration by The Western Public Service Company, a Maryland corporation, of a dividend in partial liquidation, to Engineers Public Service Company, of all the securities of Missouri Service Company and The Northern Kansas Power Company;

The acquisition by Engineers Public Service Company of all of the securities of The Western Public Service Company, a Delaware corporation, The Northern Kansas Power Company, and Missouri Service Company;

The transfer by The Western Public Service Company, a Maryland corporation, at the direction of Engineers Public Service Company, of all its Wyoming properties to The Western Public Service Company, a Delaware corporation, and the acquisition thereof by said Delaware corporation;

The issuance by The Western Public Service Company, a Delaware corporation, of the $508,800 5% notes payable and $653,200 of par value common stock and the assumption of $258,000 principal amount of municipal bonds heretofore assumed by The Western Public Service Company, a Maryland Corporation, and the acquisition of said notes and stock by Engineers Public Service Company;

The execution by Engineers Public Service Company of a $300,000 bond of indemnity covering liability for payment of said $258,000 principal amount of municipal bonds;

The method of recordation on the books of Engineers Public Service Company of the securities of The Western Public Service Company, a Delaware Corporation, The Northern Kansas Power Company, and Missouri Service Company to be acquired by it;

All other transactions necessary to facilitate the sale of the Nebraska and South Dakota assets of The Western Public Service Company, a Maryland corporation, to Consumers Public Power District, an instrumentality and political subdivision of the State of Nebraska;

The acquisition and retirement by Engineers Public Service Company of not to exceed 35,000 shares of its own preferred stock outstanding in the hands of the public by invitation for tenders and by open market purchases.

The Commission having heretofore issued its Notice of and Order for Hearing pursuant to section 11 (b) (1) of the Act, in *Engineers Public Service Company and Its Subsidiary Companies, Respondents*, File No. 59-4, but having as yet issued no order of divestment with respect to The Western Public Service Company, a Maryland corporation, and finding it necessary and appropriate that the ap-

plications and declarations in File No. 70–453 should be consolidated with said File No. 59–4;

Engineers Public Service Company having filed its written consent to an order of divestment pursuant to section 11 (b) (1) of the Act;

It is ordered, That the applications and declarations in File No. 70–453 be and they hereby are consolidated with the proceedings in File No. 59–4;

That jurisdiction be and the same hereby is reserved as to the proposed acquisition and retirement by Engineers Public Service Company of not to exceed 35,000 shares of its own Preferred Stock,

That otherwise said applications be and the same hereby are granted and said declarations be and the same hereby are permitted to become effective forthwith.

It is further ordered, Pursuant to section 11 (b) (1) of the Public Utility Holding Company Act of 1935, that Engineers Public Service Company shall divest itself of its interest in the securities of Missouri Service Company, The Northern Kansas Power Company and The Western Public Service Company, a Delaware corporation, proposed to be acquired by it pursuant to applications and declarations now pending before the Commission in File No. 70–453, if and when Engineers Public Service Company acquires direct ownership of said securities.

It is further ordered, That Engineers Public Service Company, in accordance with subparagraph (c) of section 11 of said Act, shall comply with the preceding paragraph of this Order within one year from the date when it acquires direct ownership of said securities, without prejudice to its right to apply for additional time to comply with such Order as provided in such Section.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 41–9861; Filed, December 30, 1941; 11:42 a. m.]

[File No. 70–443]

IN THE MATTER OF PUBLIC SERVICE COMPANY OF OKLAHOMA

ORDER GRANTING APPLICATION

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 27th day of December, A. D. 1941.

The above named company having filed an application pursuant to the Public Utility Holding Company Act of 1935, particularly Section 10 thereof, regarding the purchase from Central States Power & Light Corporation of Oklahoma of a water system located in Allen, Oklahoma, for the sum of $10,000, plus and minus certain adjustments of the purchase price as provided for in the purchase contract; and

Said application having been filed on November 24 and an amendment having been filed on December 19, 1941, and notice of said filing having been duly given in the form and manner prescribed by Rule U-23 promulgated pursuant to said Act, and the Commission not having received a request for a hearing with respect to said application within the period specified in said notice, or otherwise, and not having ordered a hearing thereon; and

The above named company having requested that said application, as filed or as amended, be granted as soon as possible; and

The Commission finding with respect to said application under section 10 of said Act that no adverse findings are necessary under section 10 (b) and section 10 (c) (1) of said Act and that section 10 (c) (2) of said Act is not applicable and being satisfied that the effective date of such application, as amended, should be advanced:

It is hereby ordered, Pursuant to said Rule U-23 and the applicable provisions of said Act and subject to the terms and conditions prescribed in Rule U-24, that the aforesaid application, as amended, be and hereby is granted.

By the Commission. (Commissioner Healy dissenting for the reasons set forth in his memorandum of April 1, 1940.)

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 41–9862; Filed, December 30, 1941; 11:42 a. m.]

[File No. 70–368]

IN THE MATTER OF WESTERN NEW YORK WATER COMPANY

SUPPLEMENTAL ORDER

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 27th day of December, A. D. 1941.

Western New York Water Company, a subsidiary of New York Water Service Corporation, which in turn is a subsidiary of Federal Water and Gas Corporation, a registered holding company, having filed applications and amendments thereto pursuant to the third sentence of section 6 (b) of the Public Utility Holding Company Act of 1935 concerning the proposed issue and sale to Northwestern Mutual Life Insurance Company of $3,000,000 principal amount of First Mortgage Sinking Fund Bonds, 3¾% series, due 1966 and $1,400,000 principal amount of 3¾% Sinking Fund Notes, due 1956, such issue and sale to be consummated in the manner described in said applications; and

The Commission having approved the said applications subject to the terms and conditions prescribed by Rule U-24, by its order herein dated October 31, 1941; and

The said applications having been amended subsequent to the Commission's order hereinabove referred to by the filing of a modified mortgage and deed of trust and a modified indenture; and

It appearing to the Commission that the modifications of said mortgage and deed of trust and the modifications of said indenture are not of such a nature as to make it appropriate to impose any terms or conditions other than as specified in Rule U-24;

It is ordered, That said applications, as amended, be and they hereby are approved, subject, however, to the terms and conditions prescribed by Rule U-24.

By the Commission.

FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 41–9863; Filed, December 30, 1941; 11:42 a. m.]

[File No. 68–1]

IN THE MATTER OF JESSE JACOBS, PAUL SHIPMAN ANDREWS, AND DANIEL J. MCCORMACK, PROTECTIVE COMMITTEE FOR SECURITY HOLDERS OF ASSOCIATED GAS AND ELECTRIC COMPANY

ORDER DENYING APPLICATION, ETC.

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 26th day of December, A. D. 1941.

Jesse Jacobs, Paul Shipman Andrews, and Daniel J. McCormack, as a Protective Committee for holders of certain securities of Associated Gas and Electric Company, a registered holding company, having filed an application and declaration, pursuant to the Public Utility Holding Company Act of 1935 and particularly section 12 (e) and Rule U-62 thereunder, for permission to solicit authorizations from more than one class of securities of said Associated Gas and Electric Company, and with respect to such solicitation in connection with the reorganization proceedings of said company and its subsidiary, Associated Gas and Electric Corporation, which reorganization proceedings are now pending before the United States District Court for the Southern District of New York;

Public notice and opportunity for hearing with respect to said application and declaration having been duly given, a hearing having been held on said application and declaration, request for findings of fact, briefs, and oral argument having been waived, and the Commission having this day made and filed its findings and opinion herein;

It appearing to the Commission that the proposed solicitation of security holders by said Jesse Jacobs, Paul Shipman Andrews, and Daniel J. McCormack, as a Protective Committee as aforesaid, would not be in the public interest and would be detrimental to the interests of investors, and the Commission therefore deeming it necessary and appropriate to deny permission to solicit authorizations as aforesaid and to order that said declaration shall not become effective;

It is therefore ordered, That the application of Jesse Jacobs, Paul Shipman Andrews, and Daniel J. McCormack, as

a Protective Committee proposing to represent security holders of Associated Gas and Electric Company, for permission to solicit authorizations from more than one class of security holders be and is hereby denied; and

It is further ordered, That the aforesaid declaration of Jesse Jacobs, Paul Shipman Andrews, and Daniel J. McCormack, as a Protective Committee as aforesaid, shall not be permitted to become effective, and no solicitation shall be made under said declaration.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 41-9864; Filed, December 30, 1941; 11:43 a. m.]

IN THE MATTER OF PHILIP J. LIUZZA, 204 MARITIME BUILDING, NEW ORLEANS, LOUISIANA, AND PHILIP J. LIUZZA, INC., 204 MARITIME BUILDING, NEW ORLEANS, LOUISIANA

MEMORANDUM OPINION AND ORDER

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 26th day of December 1941.

This proceeding was instituted under section 15 (b) of the Securities Exchange Act of 1934 to determine whether the registration as a broker and dealer of Philip J. Liuzza (hereinafter referred to as Liuzza) should be suspended or revoked, and to determine whether the registration as a broker and dealer of Philip J. Liuzza, Inc., should be denied or postponed.

Philip J. Liuzza, Inc., a corporation of which Liuzza is the president, filed with the Commission on October 17, 1941, an application for registration pursuant to Rule X-15B-1 adopted by the Commission under sections 15 (b), 17 (a), and 23 (a) of the Securities Exchange Act of 1934, and the Commission, following the filing on November 14, 1941, by Philip J. Liuzza, Inc., of an amendment to said application, ordered that the effective date of registration be deferred to December 14, 1941.

The order for hearing, dated November 15, 1941, notice of which was served upon Liuzza, recited that the staff had reported to the Commission information obtained as a result of an investigation of Liuzza which tended to show that during the period from January 1, 1941, to August 19, 1941:

(a) Liuzza as agent used the mails and means and instrumentalities of interstate commerce to purchase and sell various securities for the account of divers customers and in effecting such purchases and sales falsely represented to such customers the prices at which such transactions had been effected; thereby Liuzza was able to and did obtain secret profits;

(b) Liuzza, while a member of the New Orleans Stock Exchange, a national securities exchange, had no net capital employed in his business and at the same time in the ordinary course of his business as a broker he owed substantial sums to various customers, banks and other individuals;

(c) Liuzza, while in an insolvent condition, used the mails and means and instrumentalities of interstate commerce to solicit and accept orders for the purchase of securities as agent for the account of divers customers, accepted securities from such customers, the proceeds from the sale of which were to be applied to the purchase of other securities for such customers, and without the knowledge or consent of such customers appropriated to his own use and benefit either the securities turned over to him for sale or the proceeds received by him on the sale of such securities;

(d) Liuzza did not make and keep certain books and records including, among others:

(1) Blotters or other records of original entry containing itemized daily records of purchases or sale of securities and receipts and deliveries of securities;

(2) Ledgers of other records reflecting all assets and liabilities, income and expense and capital accounts;

(3) A memorandum of each brokerage order and of any other instruction given or received for the purchase or sale of securities whether executed or unexecuted; and

(4) A memorandum of each purchase or sale of securities for his own account.

A hearing was ordered to determine whether the information reported by the staff is true; whether these facts, if they are true, require a finding that Liuzza wilfully violated section 17 (a) of the Securities Act of 1933 and sections 8 (b), 15 (c) (1), and 17 (a) of the Securities Exchange Act of 1934; and whether it is in the public interest to suspend or revoke Liuzza's registration as a broker and dealer and to postpone or deny the registration of Philip J. Liuzza, Inc. Also, pending final determination, it was ordered that the effective date of registration of said corporation be postponed until December 29, 1941.

Liuzza, on November 21, 1941, in his own behalf and as president of Philip J. Liuzza, Inc., acknowledged receipt and service of adequate notice of the proceeding, waived hearing, admitted the allegations contained in the aforesaid order for hearing for the purposes of this proceeding, and consented to the entry of an order by the Commission revoking his registration as a broker or dealer and denying the registration of Philip J. Liuzza, Inc., as a broker or dealer.

We find, therefore, that Liuzza has wilfully violated section 17 (a) of the Securities Act of 1933, and sections 8 (b), 15 (c) (1), and 17 (a) of the Securities Exchange Act of 1934, and that it is in the public interest that his registration be revoked and that the registration of Philip J. Luizza, Inc., be denied.

It is therefore ordered, Pursuant to section 15 (b) of the Securities Exchange Act of 1934, that the registration of Philip J. Liuzza, Inc., as a broker and dealer, be, and it hereby is, revoked, and the registration of Philip J. Linzza, Inc., as a broker and dealer be, and it hereby is, denied.

By the Commission (Chairman Eicher and Commissioners Healy and Purcell), Commissioners Pike and Burke being absent and not participating.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 41-9869; Filed, December 30, 1941; 11:54 a. m.]

[File No. 70-464]

IN THE MATTER OF INDIANA SERVICE CORPORATION

NOTICE OF FILING AND ORDER FOR HEARING

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 29th day of December A. D. 1941.

Notice is hereby given that a declaration or application (or both) has been filed with this Commission pursuant to the Public Utility Holding Company Act of 1935 by Indiana Service Corporation. All interested persons are referred to said document, which is on file in the office of this Commission, for a statement of the transactions therein proposed, which are summarized as follows:

Indiana Service Corporation proposes to issue and sell $404,448 principal amount of its serial notes as part payment for 40 electric trackless trolley coaches. Concurrently the manufacturer of the trolley coaches will sell the notes to a bank and an insurance company. It is proposed that the notes will each be in the principal amount of $6,740.80, and will mature serially starting one month from date. Serial notes numbered 1 to 12, both inclusive, are to bear interest at the rate of three per cent (3%) per annum from date until payment, and serial notes numbered 13 to 60, both inclusive, are to bear interest at the rate of three and three-quarters per cent (3¾%) per annum from date until paid, all such interest to be payable monthly commencing one month from the date of the serial notes.

It appearing to the Commission that it is appropriate in the public interest and the interest of investors and consumers that a hearing be held with respect to said matters, that said declaration shall not become effective nor said application be granted except pursuant to further order of this Commission;

It is ordered, That a hearing on such matters under the applicable provisions of said Act and rules of the Commission thereunder be held on January 8, 1942 at 10:00 o'clock, A. M., at the offices of the Securities and Exchange Commission, 1778 Pennsylvania Avenue NW., Washington, D. C. On such day the hearing-room clerk in Room 1102 will ad-

vise as to the room where such hearing will be held. At such hearing, cause shall be shown why such declaration or application (or both) shall become effective or shall be granted. Notice is hereby given of said hearing to the above-named declarants and applicants and to all interested persons, said notice to be given to said declarants and applicants by registered mail and to all other persons by publication in the FEDERAL REGISTER.

It is further ordered, That William W. Swift or any other officer or officers of the Commission designated by it for that purpose shall preside at the hearings in such matter. The officer so designated to preside at any such hearing is hereby authorized to exercise all powers granted to the Commission under section 18 (c) of said Act and to a trial examiner under the Commission's Rules of Practice.

It is further ordered, That without limiting the scope of issues presented by said declaration or application (or both) otherwise to be considered in this proceeding, particular attention will be directed at the hearing to the following matters and questions:

(1) Whether the issue and sale by Indiana Service Corporation of its serial notes are solely for the purpose of financing its business and have been expressly authorized by the Public Service Commission of Indiana.

(2) Whether the security proposed to be issued is reasonably adapted to the security structure of Indiana Service Corporation.

(3) Whether the operations by Indiana Service Corporation of its traction properties are reasonably incidental, or economically necessary or appropriate, to the operations of its electric properties.

(4) Whether the purchase of the trolley coaches by Indiana Service Corporation should be financed out of the company's cash rather than by the issuance of serial notes.

(5) Whether it is necessary or appropriate to impose any term or condition prohibiting or restricting the payment of any of the principal of the debt or any of the interest on the debt owing by Indiana Service Corporation to its parent, Midland Utilities Company.

(6) Whether any other conditions should be imposed upon Indiana Service Corporation as appropriate in the public interest or for the protection of investors or consumers.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 41-9868; Filed, December 30, 1941; 11:54 a. m.]

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